

CITY OF LANCASTER, OHIO

Fairfield County, Ohio



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2023



**CITY OF LANCASTER, OHIO
OFFICE OF THE AUDITOR
104 E. Main St. Room 107
Lancaster, Ohio 43130
(740) 687-6611**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2023

Prepared by the City Auditor's Office

Patricia Nettles
City Auditor



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FAIRFIELD COUNTY, OHIO**

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INTRODUCTORY SECTION





CITY OF LANCASTER, OHIO

OFFICE OF THE AUDITOR
104 E. Main St. Room 107
Lancaster, Ohio 43130
(740) 687-6611

Patricia Nettles, Auditor

June 20, 2024

To the Citizens and
Elected Officials of
Lancaster, Ohio:

I am pleased to present to you the Annual Comprehensive Financial Report, of the City of Lancaster, Ohio (the "City"), for the year ended December 31, 2023.

While there is no legal requirement for the preparation of this report, it represents a commitment by the City of Lancaster to conform to nationally recognized standards of excellence in financial reporting. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. I believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operation of the City; and that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been presented.

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Lancaster's MD&A can be found immediately following the Independent Auditors' Report.

The Reporting Entity

The City of Lancaster is a statutory city operating under the provisions of the Ohio Revised Code which provides for an elected Mayor, Auditor, Treasurer, Law Director, President of Council, Council (six elected from wards and three at-large members), two Judges of the Municipal Court and a Municipal Court Clerk.

Lancaster is a full-service City, and in order to provide necessary services to its citizens, the City of Lancaster is divided into departments. Services provided include full time police and fire protection, park and recreational activities, city owned gas company, solid waste disposal, sewage collections and treatment, water treatment and distribution, street maintenance and repair and traffic control. These activities are provided by the City Council through the budgetary process and other elected officials through administrative and managerial policies and procedures and by the statutes of the State of Ohio.

The City's reporting entity includes the financial activities of the Lancaster Port Authority, a blended component unit.

***Letter of Transmittal
For the Year Ended December 31, 2023***

The City participates in the following Jointly Governed Organizations: Fairfield Metropolitan Housing Authority, Lancaster-Fairfield Community Action Agency, Fairfield Regional Planning Commission, Mid-Ohio Regional Planning Commission, Fairfield County Family, Adult and Children First, Fairfield County Multi-System Youth Committee, Community Corrections Board, and Fairfield, Hocking and Athens Counties Council of Governments on Major Crimes Investigations.

The Lancaster City School District, under the Board of Education, and the Fairfield Medical Center are separate and independent entities and as such, are not included in this report.

A complete discussion of the City's reporting entity is provided in Note 1 of the Notes to the Basic Financial Statements.

City Overview

The City of Lancaster is the county seat of Fairfield County and is located in central Ohio approximately thirty miles southeast of Columbus.

History abounds in Lancaster and the surrounding area. Colonel Ebenezer Zane, a famous trailblazing pioneer and soldier, is generally considered the founding father of Lancaster. In 1796, Zane petitioned Congress to grant him a contract to open a road through Ohio, a distance of two hundred sixty-six (266) miles, which stretched from Wheeling, West Virginia, to Limestone, Kentucky, (1797 "ZANES TRACE" opened). In payment for Zane's work, he received three square mile tracts of land where Lancaster now stands. He sold some of his real estate and the town began to take root and was named New Lancaster. His two sons, Noah and John, laid out the original town from Pearl Street on the east to Front Street (now Memorial Drive) on the west and included Chestnut, Main, Wheeling and Mulberry Streets running east and west between Pearl and Front Streets. The town was named New Lancaster at the request of the early German settlers from Lancaster, Pennsylvania, but was shortened to Lancaster in 1805.

Items of Local Interest

The City of Lancaster is known for its excellent park system, including Rising Park and Mount Pleasant. General William T. Sherman was born in Lancaster, and his home on downtown Main Street is maintained by the State of Ohio as a Civil War Museum. Other important men who have called Lancaster home are U.S. Senator Thomas Ewing and three Governors of Ohio, William Medill, John Brough and John Brown.

Culture and Education

Lancaster is home to the annual Lancaster Festival and the Fairfield Heritage annual tour of beautiful and historic buildings and homes. The Lancaster Public Library is second-to-none and offers full library services. In addition to the excellent public school system, grades K-12, operated by the Lancaster Board of Education, Ohio University maintains a branch college in the City and offers a variety of Associate, Bachelor and Master's Degree opportunities as well as continuing education programs. The Fairfield County Fair is held in Lancaster every year in the month of October and is the last county fair each year in the State of Ohio.

***Letter of Transmittal
For the Year Ended December 31, 2023***

ECONOMIC CONDITION AND OUTLOOK

Lancaster is leading Ohio with two JobsOhio Authenticated Sites within the industrial core and the efforts are being recognized in projects and leads. Google purchased 120 JobsOhio Authenticated acres for its new Google Data Center in Lancaster and is currently up and running on phase 1. Google will continue to expand their Google Data Center in future years in more phases to their expansion to help power Google's AI innovation, particularly tools like Gmail Search and Maps. Cirba Solutions announced a \$200 million dollar expansion to their east side industrial park facility they acquired from Retreiv Technologies. The expansion will include construction of an additional building as well as creating 150 new jobs. Cirba, a play on words for Circular Battery Solutions, will recycle electric vehicle batters and use the components and minerals in those to make new batteries. This expansion is currently under construction. The City of Lancaster began construction on a new North Water Treatment Plant in Miller Park. The new plant will have an initial capacity of 8 million gallons per day. At just under \$100 million, the project will be the most expensive infrastructure project for the City of Lancaster. ClearSky Health announced they're locating a medical rehabilitation hospital specializing in care to individuals living with disabling injuries or illnesses such as strokes, brain injuries, hip fractures, spinal injuries, Parkinson's disease, and multiple sclerosis. The facility will provide approximately 30 new beds and will treat about 650 patients annually. Trilogy Health Services is wrapping up construction for a senior living facility that will provide independent living, assisted living, short term skilled nursing and rehabilitation, memory care, long term care and adult day care services. This facility will provide 125 permanent jobs and should open in the first half of 2024. Lancaster City Schools began construction on their new high school in the fall of 2022 with a completion date estimated in 2026.

Lancaster is a desirable location to live and the community is experiencing high growth in residential development. Population has grown in Lancaster year over year and currently sits at 41,422. To accommodate the additional population, the City of Lancaster has been meeting with developers to grow housing stock of all types. The City of Lancaster is expanding in affordable housing, businesses, new schools, medical facilities and is a great community to invest in.

Long-term Financial Planning:

In May of 2023, the City of Lancaster citizens renewed the ten-year 3 mill property tax levy to support the City's street improvement plan. The annual levy proceeds (\$3,074,500) along with STP (Surface Transportation Program) funds will work together to help the City maintain the street and bridge repairs/replacement that are on a ten-year street improvement plan.

The City's Water Pollution Control Department is working on two large improvement projects which are the Lawrence Street Water Pollution Control Facility Upgrade (\$22,497,193) and the Upper Hocking Water Pollution Control Facility Expansion (\$39,381,069). Both capital improvement projects will be financed with Ohio Water Development Authority (OWDA) at lower interest rates. The City's Water Department is working on replacing the North Water Treatment Plant (\$98,215,678) this project will also be financed with Ohio Water Development Authority (OWDA) at a lower interest rate.

***Letter of Transmittal
For the Year Ended December 31, 2023***

The Sanitation Department will be replacing the existing transfer station that was constructed in 1973. The new transfer station will be located at the same address. The city issued a 10-year \$3,100,000 General Obligation bond to finance the construction of the new transfer station in May 2023. The construction on the new transfer station began in 2023 and is expected to be completed by the end of 2024.

The city voters passed an additional .10% parks and recreation income tax increase in 2022 to add to the existing .15% parks and recreation income tax. This additional parks and recreation income tax will take effect January 2023 which will make the parks and recreation receiving .25% income tax to help with maintaining the park infrastructure. Beginning January 2023, the City of Lancaster's income tax rate will go from 2.2% to 2.3%.

MAJOR INITIATIVES

Lancaster is one of five "Large Cities" outside of the designated Metropolitan Planning Organizations areas that the Ohio Department of Transportation provides an annual apportionment of federal surface transportation program funds (STP). The use of those funds is limited to Federal-Aid Off-System streets, but those eligible streets are the City's major streets. The funding provides 80 percent of the project costs with the City being responsible for the local 20 percent match. Recent changes to this program have changed the Federal and Local distribution to be a 95/5 split. The City has programmed the use of federal surface transportation program (STP) funds for various street rehabilitation projects.

During the 2023 calendar year there were several major **roadway projects** that were completed or are in the design, utility relocation, or ROW acquisition process. Following is a list of those projects:

- 2023 Street Improvement Program (SIP) – Completed
- Sixth Avenue (Maple to Cherry) PID 111406 – Completed
- Chestnut Street Parking Lot - Completed
- Street Improvement Program (SIP) – Design
- South Broad Street (OPWC) – Design
- Boving Road (STP) – Design
- Sixth Avenue Bridge – Design

Amendments to the federal Clean Water Act have directed pollution mitigation efforts to other water pollution sources, one being combined sewer overflows (CSO's). The CSO's are permitted under the City's National Pollution Discharge Elimination System (NPDES) permit. However, under the permit, the City is required to reduce the number of overflow events at its CSO's. Prior to the current permit, the City retained a consulting engineer to develop a plan of improvements and schedule for construction of those improvements to meet the stricter permit conditions. The City and the Ohio Environmental Protection Agency finalized negotiations of this pollution mitigation plan, and that plan is part of the City's NPDES permit. The City anticipates spending \$70,000,000 between 2014-2035 to construct the required improvements to the City's sewerage system.

***Letter of Transmittal
For the Year Ended December 31, 2023***

To date the City has reduced the number of CSO locations from 33 in 1995 to 9 at the end of 2013. The City will keep these 9 CSO locations, due to the necessity of them, but we are monitoring/reducing the amount of time that they would be activated along with reducing clean water flows to the Lawrence Street Water Pollution Control Facility. Projects included to mitigate CSO overflow's as well as other drainage related projects are as follows:

- Main Street Sewer Separation Project Design
- Construction of CSO 1029 Replacement Completed
- Upgrade of the Lawrence Street Water Pollution Control Facility – multi-million, multi-year project (+\$20 million)
- 2024 Sewer System Rehabilitation Project Construction
- Replacement of the Independence Boulevard Culvert Design
- Replacement of two culverts on Main Street Design
- Ewing Run Manhole Protection Design
- Fetter's Run Stream Restoration at Ohio University Lancaster Design

Due to development pressures in the U.S. 33 service area, a number of projects were under study, design and construction. These include:

- South Water Plant Concentrate Line Improvements Design to increase water production
- Construction of the New North Water Plant to replace the existing Miller Park Water Plant
- Construction of Lateral D Sanitary Trunk Sewer Phase 1 and 2 to serve the US 33 development area
- Construction of the Campground Road Pump Station Replacement
- Expansion of the Upper Hocking Water Pollution Control Facility to increase capacity to 4 MGD
- Disinfection improvements at the South Water Plant to increase water production.
- Construction of the Western Transmission Line to increase flows to the US 33 service area.
- Design of Renovations to the Tiki Lane Booster Station.

The Lancaster Sanitation Transfer Station is 50 years old and has reached the end of its useful life. A replacement transfer facility has been designed and is currently waiting for Ohio EPA permitting. Construction began in 2023 with completion in the summer of 2024. Finally, the Division of Water undertook major initiatives in Asset Management Planning, Lead Service Line Identification and Emergency Planning to comply with U.S. EPA and Ohio EPA regulatory requirements.

***Letter of Transmittal
For the Year Ended December 31, 2023***

In 2023, Lancaster Municipal Gas (LMG) continued infrastructure replacement efforts by completing a three-year gas main replacement project in the northeast area of the city. This project included replacement of approximately five (5) miles of bare steel natural gas main and 600 connected service lines. The streets involved in the project included the following (among others):

- Medill Ave,
- Harding Ave,
- E Sixth Ave,
- N Cherry St,
- Concordia Dr,
- Pleasantview Dr,
- N Eastwood Ave.

FINANCIAL INFORMATION

Internal Control, Budgetary Control and the Accounting System

Development of the City's accounting system included substantial consideration of the adequacy of the internal accounting controls. Internal accounting controls are designed to provide reasonable but not absolute assurance of the following:

1. The City's assets are protected against loss and unauthorized use or disposition.
2. Reliable financial reports for preparing financial statements and providing accountability for assets are maintained.

The concept of reasonable assurance states that internal controls should be evaluated applying the following criteria:

1. The expense associated with providing the internal controls should not exceed the benefits likely to be derived from their implementation.
2. The evaluation of the offsetting costs and benefits involves estimates and judgment by the City administration and the Auditor's Office.

All internal control evaluations occur within this framework. It is the belief of the administrative and financial management personnel that the City's financial controls adequately safeguard existing assets and provide reasonable assurance of the proper recording of financial transactions.

The Auditor's Office is responsible for the auditing and analysis of all purchase orders of the City. Personnel of the Auditor's Office carefully review purchase orders to help ensure the availability of monies in the proper funds and accounts prior to the certification and subsequent payment of approved invoices. The City utilizes a fully-automated accounting system as well as, an automated system of controls for capital asset accounting and payroll. These systems, coupled with the review and examination performed by the City Auditor's Office, help ensure that the financial information generated is both accurate and reliable.

***Letter of Transmittal
For the Year Ended December 31, 2023***

All funds other than custodial funds and the Drug Enforcement Fund (special revenue fund) are legally required to be budgeted and appropriated. Budgetary control is maintained at the object level for each department within each fund via legislation approved by City Council. Lower levels within each object are accounted for and reported internally. Such lower levels are referred to as line items of expenditure. Estimated amounts must be encumbered prior to final approval of purchase orders or other contracts to vendors. Encumbrances in excess of the available object level appropriations are not approved unless additional appropriations are authorized. Unencumbered appropriations return (lapse) to the unappropriated balances in the individual funds at the end of each fiscal year, which coincides with the calendar year.

OTHER INFORMATION

Independent Audit

This report includes an unmodified audit report regarding the City's financial statements. The audit was conducted by Wilson, Shannon & Snow, Inc., which was selected by the Auditor of State's Office. The Auditor's Report on the basic financial statements is included in the financial section of this report. The Auditor's report relating to the Federal Single Audit Act of 1996 is issued separately.

Awards

The Government Finance Officers Association (GFOA) awarded a Certificate for Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report for the fiscal year ending December 31, 2022. This was the thirty-sixth year the City has won this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized annual comprehensive financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. I believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement program's requirements, and I am again submitting it to the GFOA to determine its eligibility for another certificate.

Public Disclosure

The publication of this Annual Comprehensive Financial Report is indicative of the City's commitment to provide significantly enhanced financial information and accountability to its citizens. In addition to the citizens of Lancaster, the recipients of this report include city, state and federal officials, schools, libraries, newspapers, investment banking firms, banks and rating agencies. The report is made available to any person or organization requesting it. The extensive effort to prepare and distribute this report is indicative of the continued efforts of the City to improve its overall financial accounting, management and reporting capabilities.

***Letter of Transmittal
For the Year Ended December 31, 2023***

Acknowledgments

A special thanks is extended to my staff Anitra Scott (Assistant Auditor), Jody Sheets, Paula Wahl, Tammy Crawford, Allison Ray, and Leah Davis (Deputy Auditors), for their assistance in compiling the cash reports and other data. I would like to thank Donald J. Schonhardt & Associates, Inc. for their professional guidance and many hours of hard work that went into preparing this report. The cooperation of many people is required to produce a quality product such as this Annual Comprehensive Financial Report.

Sincerely,



Patricia Nettles
City Auditor

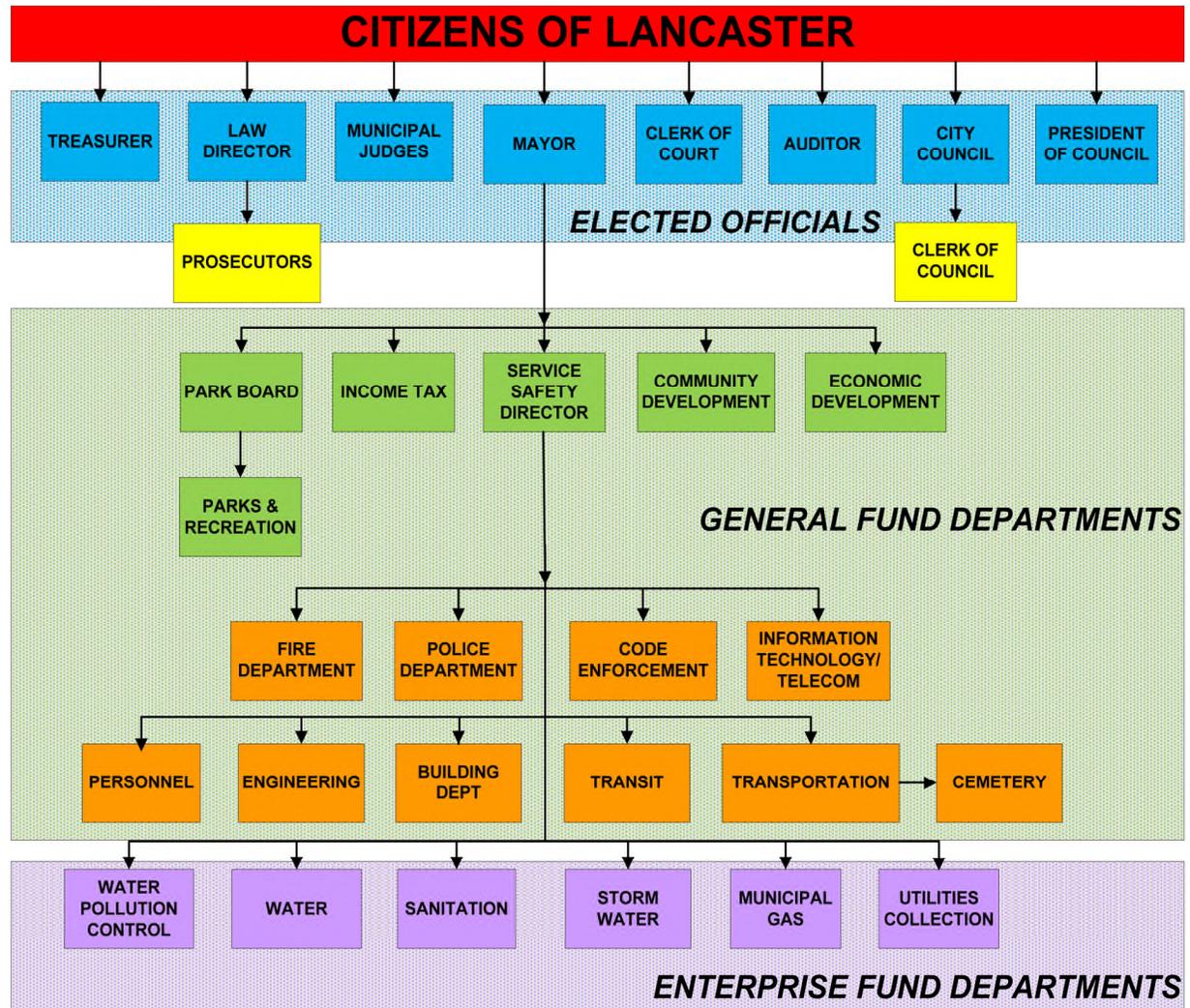
CITY OF LANCASTER, OHIO

***List of Principal Officials
For the Year Ended December 31, 2023***

<i>Name</i>	<i>Title</i>
<i>Executive Officials</i>	
David Scheffler	Mayor
Patricia Nettles	Auditor
Stephanie Hall	Law Director
Robert Wolfinger	Treasurer
<i>Legislative Officials</i>	
David Uhl	President of Council
Corey Schoonover	Council-at-Large
Jennifer Sitterley	Council-at-Large
Don McDaniel	Council-at-Large
Presten Ahlers	Council - 1st Ward
Thomas James	Council - 2nd Ward
Jack Mattlin	Council - 3rd Ward
Tom Stoughton	Council - 4th Ward
Kristina Crites	Council - 5th Ward
Becky Tener	Council - 6th Ward
<i>Administrative Officials</i>	
Paul Martin	Service/Safety Director
Amy Hamilton	Income Tax Commissioner
Mitch Noland	City Engineer

City Address:
City of Lancaster
104 East Main Street
Lancaster, Ohio 43130

**City Organizational Chart
For the Year Ended December 31, 2023**



***Government Finance Officers Association of the United States and Canada
Certificate of Achievement for Excellence in Financial Reporting***



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Lancaster
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morrill

Executive Director/CEO



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

City of Lancaster
Fairfield County
104 East Main Street
Lancaster, Ohio 43130

To the City Council:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lancaster, Fairfield County, Ohio (the City), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lancaster, as of December 31, 2023, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General, .45 Police and 2021 Police and Fire Levy funds for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Lancaster Port Authority (the Port Authority), which is both a major fund and 58 percent and 8 percent, respectively, of the assets and revenues of the business-type activities. The Port Authority reports a deficit net position of \$133,214,117 compared to the \$17,805,440 total net position report for the business-type activities. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Port Authority, is based solely on the report of other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis* and schedules of net pension and other post-employment benefit liabilities/assets and pension and other post-employment benefit contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the

City of Lancaster
Fairfield County
Independent Auditor's Report

information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2024, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Wilson, Shuman & Snow, Inc.

Newark, Ohio
June 20, 2024



***Management's Discussion and Analysis
For the Year Ended December 31, 2023***

Unaudited

The discussion and analysis of the City of Lancaster's (the "City") financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2023. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2023 are as follows:

- ❑ In total, net position increased \$11,684,743. Net position of governmental activities increased \$9,822,519 which represents a 15% increase from 2022. Net position of business-type activities increased \$1,862,224 which represents an 11% increase from 2022.
- ❑ General revenues accounted for \$50,558,218 in revenue or 42% of all revenues. Program specific revenues in the form of charges for services, and grants and contributions accounted for \$69,859,721 in revenues or 58% of total revenues of \$120,417,939.
- ❑ The City had \$54,709,359 in expenses related to governmental activities; only \$15,823,125 of these expenses were offset by program specific charges for services, grants or contributions.
- ❑ Among major funds, the general fund had \$28,715,734 in revenues and \$22,482,797 in expenditures and other financing uses. The general fund's fund balance increased from \$16,628,922 to \$22,870,378.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – *management's discussion and analysis*, the *basic financial statements*, *required supplementary information*, and an optional section that presents *combining and individual statements* for nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of the City:

These statements are as follows:

1. *The Government-Wide Financial Statements* – These statements provide both long-term and short-term information about the City's overall financial status.
2. *The Fund Financial Statements* – These statements focus on individual parts of the City, reporting the City's operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Government-wide Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how they have changed. Net-position (the difference between the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources) is one way to measure the City's financial health or position.

- Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City you need to consider additional nonfinancial factors such as the City's tax base and the condition of the City's capital assets.

The government-wide financial statements of the City are divided into two categories:

- Governmental Activities – Most of the City's programs and services are reported here including security of persons and property, public health and welfare services, leisure time activities, community environment, transportation and general government.
- Business-Type Activities – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The City's gas, water, water pollution, storm water, sanitation services and a port authority are reported as business-type activities.

Fund Financial Statements

Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes. The fund financial statements provide more detailed information about the City's most significant funds, not the City as a whole.

Governmental Funds – Most of the City's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed, short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**Management’s Discussion and Analysis
For the Year Ended December 31, 2023**

Unaudited

Proprietary Funds – Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match. The proprietary fund financial statements provide separate information for the Gas, Water, Water Pollution, Sanitation, Storm Water, and Port Authority funds, all of which are considered major funds.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City’s own programs. All of the City’s fiduciary activities are reported in a separate Statement of Fiduciary Net Position and Changes in Net Position.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following table provides a summary of the City’s net position for 2023 compared to 2022:

	Governmental		Business-type		Total	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
Current and other assets	\$72,979,534	\$61,501,446	\$453,328,769	\$349,703,117	\$526,308,303	\$411,204,563
Net OPEB Asset	0	2,036,743	0	1,441,704	0	3,478,447
Capital assets, Net	72,864,910	71,573,409	204,808,488	156,838,446	277,673,398	228,411,855
Total assets	145,844,444	135,111,598	658,137,257	507,983,267	803,981,701	643,094,865
Deferred outflows of resources	24,682,042	13,483,184	7,255,943	2,941,541	31,937,985	16,424,725
Long-term debt outstanding	12,822,804	13,562,831	442,232,222	402,413,222	455,055,026	415,976,053
Net Pension Liability	60,721,926	32,774,746	13,117,488	4,032,521	73,839,414	36,807,267
Net OPEB Liability	3,504,340	4,751,578	277,463	0	3,781,803	4,751,578
Other liabilities	5,789,485	5,488,035	13,697,880	15,387,934	19,487,365	20,875,969
Total liabilities	82,838,555	56,577,190	469,325,053	421,833,677	552,163,608	478,410,867
Deferred inflows of resources	11,934,125	26,086,305	177,471,719	72,356,927	189,405,844	98,443,232
Net position:						
Net investment in capital assets	63,422,894	62,227,835	98,344,387	91,055,634	161,767,281	153,283,469
Restricted	24,206,047	22,072,597	2,237,710	2,076,467	26,443,757	24,149,064
Unrestricted (Deficit)	(11,875,135)	(18,369,145)	(81,985,669)	(76,397,897)	(93,860,804)	(94,767,042)
Total net position	\$75,753,806	\$65,931,287	\$18,596,428	\$16,734,204	\$94,350,234	\$82,665,491

The implementation of GASB Statement 68, “Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27” and GASB Statement 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,” significantly revised accounting for costs and liabilities related to pensions and other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City’s actual financial condition by adding deferred inflows of resources related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows of resources related to pension and OPEB and the net OPEB asset.

***Management's Discussion and Analysis
For the Year Ended December 31, 2023***

Unaudited

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with accounting principles generally accepted in the United States of America. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability or net OPEB liability.

GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability/asset to equal the City's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service.
2. Minus plan assets available to pay these benefits.

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan as against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

CITY OF LANCASTER, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2023**

Unaudited

In accordance with GASB 68 and GASB 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's change in net pension liability and net OPEB liability/asset, respectively, not accounted for as deferred inflows/outflows.

Changes in Net Position –The following table shows the changes in net position for 2023 compared to 2022:

	Governmental		Business-type		Total	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
Revenues						
Program Revenues:						
Charges for Services and Sales	\$7,714,513	\$7,617,308	\$51,967,856	\$64,174,671	\$59,682,369	\$71,791,979
Operating Grants and Contributions	7,416,566	6,744,353	461,132	0	7,877,698	6,744,353
Capital Grants and Contributions	692,046	1,242,533	1,607,608	3,105,596	2,299,654	4,348,129
Total Program Revenues	15,823,125	15,604,194	54,036,596	67,280,267	69,859,721	82,884,461
General Revenues:						
Property Taxes	5,550,788	4,822,060	0	0	5,550,788	4,822,060
Income Taxes	36,927,197	35,351,543	0	0	36,927,197	35,351,543
Other Local Taxes	639,568	703,982	0	0	639,568	703,982
Intergovernmental Revenues, Contributions not Restricted to Specific Programs	1,739,249	1,896,753	0	0	1,739,249	1,896,753
Investment Earnings	2,732,670	(1,347,221)	1,927,465	(778,424)	4,660,135	(2,125,645)
Miscellaneous	1,041,281	728,691	0	0	1,041,281	728,691
Total General Revenues	48,630,753	42,155,808	1,927,465	(778,424)	50,558,218	41,377,384
Total Revenues	64,453,878	57,760,002	55,964,061	66,501,843	120,417,939	124,261,845
Program Expenses						
Security of Persons and Property	27,380,825	19,986,940	0	0	27,380,825	19,986,940
Public Health and Welfare Services	972,475	1,077,611	0	0	972,475	1,077,611
Leisure Time Activities	3,500,079	2,551,602	0	0	3,500,079	2,551,602
Community Environment	1,502,294	1,222,792	0	0	1,502,294	1,222,792
Transportation	7,982,001	6,374,770	0	0	7,982,001	6,374,770
General Government	12,975,626	8,979,014	0	0	12,975,626	8,979,014
Interest and Fiscal Charges	396,059	407,409	0	0	396,059	407,409
Gas	0	0	15,197,827	17,814,214	15,197,827	17,814,214
Water	0	0	7,759,856	6,611,260	7,759,856	6,611,260
Water Pollution	0	0	9,444,559	8,208,115	9,444,559	8,208,115
Sanitation	0	0	4,437,631	3,673,774	4,437,631	3,673,774
Storm Water	0	0	2,296,851	1,827,856	2,296,851	1,827,856
Port Authority	0	0	14,887,113	23,289,484	14,887,113	23,289,484
Total Expenses	54,709,359	40,600,138	54,023,837	61,424,703	108,733,196	102,024,841
Change in Net Position before Transfers	9,744,519	17,159,864	1,940,224	5,077,140	11,684,743	22,237,004
Transfers	78,000	78,000	(78,000)	(78,000)	0	0
Total Change in Net Position	9,822,519	17,237,864	1,862,224	4,999,140	11,684,743	22,237,004
Beginning Net Position,	65,931,287	48,693,423	16,734,204	11,735,064	82,665,491	60,428,487
Ending Net Position	\$75,753,806	\$65,931,287	\$18,596,428	\$16,734,204	\$94,350,234	\$82,665,491

***Management’s Discussion and Analysis
For the Year Ended December 31, 2023***

Unaudited

Governmental Activities

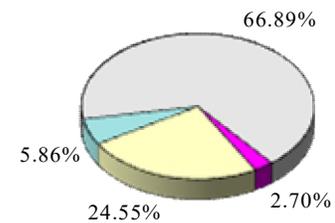
Net position of the City’s governmental activities increased \$9,822,519, or 15%. An increase in income taxes can be attributed to the 0.45% increase in the income tax rate. An increase in interest rates and the fair value of investments resulted in an increase in investment earnings. Increased property values resulted in an increase in property tax revenue.

An overall increase in expenses is due to changes in the net pension and net OPEB liabilities/asset as well as increases in salaries and benefits.

The City receives an income tax, which is based on 2.3% of all salaries, wages, commissions and other compensation and on net profits earned from those working in the City.

Income taxes and property taxes made up 57% and 9% respectively of revenues for governmental activities for the City in 2023. The City’s reliance upon tax revenues is demonstrated by the following graph indicating 67% of total revenues from general tax revenues:

Revenue Sources	2023	Percent of Total
General Tax Revenues Unrestricted	\$43,117,553	66.89%
Intergovernmental/Contributions	1,739,249	2.70%
Program Revenues	15,823,125	24.55%
General Other	3,773,951	5.86%
Total Revenue	<u>\$64,453,878</u>	<u>100.00%</u>



Business-Type Activities

Net position of the business type activities increased \$1,862,224, or 11%.

A significant decrease in charges for services and expense in the gas department and port authority was due to a substantial decrease in the cost of natural gas.

An overall increase in expenses in other business-type activities was due to changes in the net pension and net OPEB liabilities/asset.

An increase in interest rates and the fair value of investments resulted in an increase in investment earnings.

**Management's Discussion and Analysis
For the Year Ended December 31, 2023**

Unaudited

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$49,509,643, which is an increase from last year's balance of \$38,667,833. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2023 and 2022:

	Fund Balance December 31, 2023	Fund Balance December 31, 2022	Increase (Decrease)
General	\$22,870,378	\$16,628,922	\$6,241,456
.45 Police and Fire Levy	5,494,328	4,527,718	966,610
2021 Police and Fire Levy	4,015,564	3,644,374	371,190
Other Governmental	17,129,373	13,866,819	3,262,554
Total	\$49,509,643	\$38,667,833	\$10,841,810

General Fund – The City's General Fund balance increase is due to several factors. The tables that follow assist in illustrating the financial activities of the General Fund:

	2023 Revenues	2022 Revenues	Increase (Decrease)
Taxes	\$19,631,870	\$17,869,017	\$1,762,853
Intergovernmental Revenue	1,862,541	1,563,429	299,112
Charges for Services	3,722,079	3,442,927	279,152
Licenses, Permits, and Fees	18,615	24,070	(5,455)
Investment Earnings	2,678,337	(1,348,374)	4,026,711
Special Assessments	0	1	(1)
Fines and Forfeitures	657,164	660,691	(3,527)
All Other Revenue	145,128	236,324	(91,196)
Total	\$28,715,734	\$22,448,085	\$6,267,649

General Fund revenues increased approximately 28% compared to revenues in 2022, which can be attributed to increases in taxes and investments earnings. The increase in income taxes was due to a 0.45% income tax rate increase. Increased property values resulted in an increase in property tax revenue. An increase in investment earnings can be attributed to higher interest rates as well as an increase in the fair value of investments.

	2023 Expenditures	2022 Expenditures	Increase (Decrease)
Security of Persons and Property	\$9,989,553	\$10,137,945	(\$148,392)
Public Health and Welfare Services	366,500	358,000	8,500
Community Environment	549,033	283,890	265,143
General Government	9,797,872	8,479,415	1,318,457
Debt Service:			
Principal Retirement	37,406	34,056	3,350
Interest and Fiscal Charges	6,767	9,567	(2,800)
Total	\$20,747,131	\$19,302,873	\$1,444,258

***Management's Discussion and Analysis
For the Year Ended December 31, 2023***

Unaudited

General Fund expenditures increased \$1,444,258 or 7% compared to the prior year. This increase can mostly be attributed to an overall increase in the cost of goods and services. Also contributing to the increase in general government was an increase in pay rates and new hires. An increase in community environment was mostly due to the reclassification of two employees to a newly created planning and zoning department.

.45 Police and Fire Levy Fund – The .45 Police and Fire Levy Fund balance increased \$966,610 or 21%. Revenues were consistent with the prior year. Expenditures increased 25%, due to an increase in the amount of public safety costs funded from this levy.

2021 Police and Fire Levy Fund – The 2021 Police and Fire Levy Fund balance increased \$371,190 or 10%. Revenues were consistent with the prior year. Expenditures increased 32%, due to an increase in the amount of public safety costs funded from this levy.

Proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Factors concerning the finances of these funds have been addressed in the discussion of the City's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

During the course of 2023, the City amended its General Fund budget several times. Final budget basis expenditures and other financing uses of \$30,463,796, increased \$3,376,592 from the original budget. This increase was partly due to improvements to the Chestnut Street parking lot as well as transfers out to other funds. The General Fund's positive variance was mostly the result of the shifting of police and fire department costs to the .45 Police and Fire Levy Fund and 2021 Police and Fire Levy Fund.

For the General Fund, final budget basis revenue and other financing sources decreased \$2,222,260, due mostly to an increase in income taxes being allocated to other funds. Actual budgetary basis revenue of \$28,683,428 was \$8.0 million higher than final estimates due mostly to the 0.45% increase in the income tax rate.

***Management's Discussion and Analysis
For the Year Ended December 31, 2023***

Unaudited

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2023 the City had \$277,673,398 net of accumulated depreciation invested in land, buildings, equipment and vehicles. Of this total, \$72,864,910 was related to governmental activities and \$204,808,488 to the business-type activities. The following table shows 2023 and 2022 balances:

	Governmental Activities		Increase (Decrease)
	2023	2022	
Land	\$19,204,645	\$19,204,645	\$0
Construction In Progress	161,943	138,933	23,010
Buildings	18,067,995	18,117,920	(49,925)
Improvements Other than Buildings	8,881,845	8,847,111	34,734
Machinery and Equipment	7,179,307	7,405,784	(226,477)
Vehicles	10,024,719	9,235,416	789,303
Infrastructure	53,545,483	51,171,726	2,373,757
Less: Accumulated Depreciation	<u>(44,201,027)</u>	<u>(42,548,126)</u>	<u>(1,652,901)</u>
Totals	<u>\$72,864,910</u>	<u>\$71,573,409</u>	<u>\$1,291,501</u>

Changes in governmental activities capital assets included the addition of several police cruisers, as well as various equipment purchases for public safety and parks. Infrastructure additions included routine maintenance of several streets.

	Business-Type Activities		Increase (Decrease)
	2023	2022	
Land	\$3,784,056	\$3,784,056	\$0
Construction in Progress	90,152,762	39,135,016	51,017,746
Buildings	81,285,152	81,285,152	0
Improvements	34,699,716	34,660,929	38,787
Machinery and Equipment	11,751,234	11,404,739	346,495
Vehicles	9,187,763	7,792,112	1,395,651
Infrastructure	121,437,193	120,488,786	948,407
Less: Accumulated Depreciation	<u>(147,489,388)</u>	<u>(141,712,344)</u>	<u>(5,777,044)</u>
Totals	<u>\$204,808,488</u>	<u>\$156,838,446</u>	<u>\$47,970,042</u>

Changes in business type capital assets included various vehicle and equipment purchases. Two large water pollution projects as well as improvements at the North Water Plant resulted in the increase in construction in progress. Additional information on the City's capital assets can be found in Note 10.

CITY OF LANCASTER, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2023**

Unaudited

Debt

The following table summarizes the City's debt outstanding as of December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Governmental Activities:		
General Obligation Bond Payable	\$6,714,770	\$7,322,831
Ohio Water Development Authority Loans	180,185	201,083
State Infrastructure Bank Loan	146,259	172,987
Installment Loans	799,772	1,237,652
Compensated Absences	4,981,818	4,628,278
Total Governmental Activities	<u>12,822,804</u>	<u>13,562,831</u>
Business-Type Activities:		
Ohio Water Development Authority Loans	90,203,988	48,747,533
Revenue Bonds Payable	344,799,019	348,976,373
General Obligation Bonds Payable	3,100,000	0
Long Term Note Payable	975,000	1,475,000
Installment Loans	179,022	219,450
Ohio Public Works Commission Loan	207,735	242,357
Landfill Postclosure Care Liability	673,395	719,623
Compensated Absences	2,094,063	2,032,886
Total Business-Type Activities	<u>442,232,222</u>	<u>402,413,222</u>
Totals	<u>\$455,055,026</u>	<u>\$415,976,053</u>

Under current state statutes, the City's general obligation bonded debt issues are subject to a legal limitation based on 10.5% of the total assessed value of real and personal property. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total assessed value of property. At December 31, 2023, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 14.

ECONOMIC FACTORS

Lancaster is home to a diversified community of businesses. The more than 150 manufacturing operations in the area are supported by an equal number of service operations that provide a comprehensive network of support. Industrial activity continues to grow at a steady pace.

- Cirba Solutions, formerly known as Retrie Technology, announced in 2022 intentions to invest \$250,000,000 to expand one of the largest battery recycling plants in North America an expansion at the East Side Industrial Park. This expansion is currently under construction and will result in an additional 150 jobs.
- The first Google data center is up and running in Lancaster. Construction will begin shortly on a second as these facilities and others in Central Ohio help power Google's AI innovation, particularly tools like Gmail, Search and Maps.
- Cranes can be seen in various locations in Lancaster, including at Miller Park where construction is underway for the North Water Treatment Plant. The new plant will have an initial capacity of 8 million gallons per day. At just under \$100 million, the project will be the most expensive infrastructure project in the history of Lancaster.
- In 2023, ClearSky Health announced they're locating a medical rehabilitation hospital specializing in care to individuals living with disabling injuries or illnesses such as strokes, brain injuries, hip fractures, spinal injuries, Parkinson's disease, multiple sclerosis, or other medically complex conditions such as COVID-19. The facility will provide approximately 30 new beds and will treat about 650 patients annually.
- Trilogy Health Services is wrapping up construction for a senior living facility that will provide independent living, assisted living, short term skilled nursing and rehabilitation, memory care, long term care and adult day care services. This facility will provide 125 full time permanent jobs and should open in the first half of 2024.
- The City of Lancaster updated Community Reinvestment Area (CRA) 3 to drive additional multi-tenant housing with a component of affordability to entice developers to consider building in Lancaster where the need is high for all types of housing.
- The City continues to work collaboratively with developers on a mixed-use redevelopment of the long-vacant Essex building downtown. The project, which announced in 2023, is being led by Urban Restorations who received a \$3.2 million state tax credit to renovate the building which has now been renamed to The Shumaker. The project is currently under construction and is expected to bring a new restaurant concept, short term vacation rentals and market rate apartments.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Ms. Patricia Nettles, City Auditor of the City of Lancaster.

CITY OF LANCASTER, OHIO

**Statement of Net Position
December 31, 2023**

	Governmental Activities	Business-Type Activities	Total
Assets:			
Pooled Cash and Investments	\$ 52,855,261	\$ 67,283,828	\$ 120,139,089
Investments	1,057,720	0	1,057,720
Receivables:			
Taxes	13,946,375	0	13,946,375
Accounts	320,688	5,930,083	6,250,771
Intergovernmental	4,307,983	140,021	4,448,004
Interest	156,024	72,654	228,678
Loans	1,283,448	0	1,283,448
Leases	54,847	0	54,847
Internal Balances	(1,562,938)	1,562,938	0
Inventory of Supplies	482,400	3,913,294	4,395,694
Prepaid Items	72,987	76,097	149,084
Prepaid Gas Supply - Current	0	13,182,653	13,182,653
Prepaid Gas Supply	0	170,880,419	170,880,419
Land Held for Resale	0	2,911,872	2,911,872
Fair Value of Derivative Instruments	0	177,310,155	177,310,155
Restricted Assets:			
Cash and Cash Equivalents	0	9,489,085	9,489,085
Cash and Cash Equivalents with Fiscal Agent	4,739	0	4,739
Investments	0	575,670	575,670
Capital Assets Not Being Depreciated	19,366,588	93,936,818	113,303,406
Capital Assets Being Depreciated, Net	53,498,322	110,871,670	164,369,992
Total Assets	145,844,444	658,137,257	803,981,701
Deferred Outflows of Resources:			
Deferred Loss on Early Retirement of Debt	13,490	986,345	999,835
Pension	21,298,389	5,446,755	26,745,144
OPEB	3,370,163	822,843	4,193,006
Total Deferred Outflows of Resources	24,682,042	7,255,943	31,937,985

(Continued)

CITY OF LANCASTER, OHIO

	Governmental Activities	Business-Type Activities	Total
Liabilities:			
Accounts Payable	1,173,137	1,435,629	2,608,766
Accrued Wages and Benefits	1,618,446	456,463	2,074,909
Intergovernmental Payable	281,370	1,866	283,236
Claims Payable	328,819	0	328,819
Due to Others, Payable from Restricted Assets	89,105	205,949	295,054
Unearned Revenue	652,303	5,102,610	5,754,913
Accrued Interest Payable	31,785	6,495,363	6,527,148
General Obligation Notes Payable	1,614,520	0	1,614,520
Long Term Liabilities:			
Due within one year	1,609,016	5,326,091	6,935,107
Due in More than One Year:			
Net Pension Liability	60,721,926	13,117,488	73,839,414
Net OPEB Liability	3,504,340	277,463	3,781,803
Other Amounts Due in More than One Year	11,213,788	436,906,131	448,119,919
Total Liabilities	82,838,555	469,325,053	552,163,608
Deferred Inflows of Resources:			
Property Taxes	6,100,426	0	6,100,426
Leases	54,847	0	54,847
Pension	2,469,163	70,053	2,539,216
OPEB	3,309,689	91,511	3,401,200
Deferred Inflow from Derivative Instruments	0	177,310,155	177,310,155
Total Deferred Inflows of Resources	11,934,125	177,471,719	189,405,844
Net Position:			
Net Investment in Capital Assets	63,422,894	98,344,387	161,767,281
Restricted For:			
Streets and Highways	3,793,193	0	3,793,193
Community Development	2,986,589	0	2,986,589
Security of Persons and Property	15,204,092	0	15,204,092
Public Health and Welfare	1,902,515	0	1,902,515
Capital Projects	319,658	0	319,658
Debt Service	0	2,237,710	2,237,710
Unrestricted (Deficit)	(11,875,135)	(81,985,669)	(93,860,804)
Total Net Position	\$ 75,753,806	\$ 18,596,428	\$ 94,350,234

See accompanying notes to the basic financial statements

CITY OF LANCASTER, OHIO

**Statement of Activities
For the Year Ended December 31, 2023**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Security of Persons and Property	\$ 27,380,825	\$ 2,486,791	\$ 648,291	\$ 0
Public Health and Welfare Services	972,475	329,355	74,200	0
Leisure Time Activities	3,500,079	587,616	40,000	0
Community Environment	1,502,294	84,865	883,337	0
Transportation	7,982,001	1,274,191	4,851,208	692,046
General Government	12,975,626	2,951,695	919,530	0
Interest and Fiscal Charges	396,059	0	0	0
Total Governmental Activities	54,709,359	7,714,513	7,416,566	692,046
Business-Type Activities:				
Gas	15,197,827	17,717,519	0	0
Water	7,759,856	9,551,980	431,132	1,607,608
Water Pollution	9,444,559	12,605,619	0	0
Sanitation	4,437,631	4,794,013	0	0
Storm Water	2,296,851	3,115,931	0	0
Port Authority	14,887,113	4,182,794	30,000	0
Total Business-Type Activities	54,023,837	51,967,856	461,132	1,607,608
Totals	\$ 108,733,196	\$ 59,682,369	\$ 7,877,698	\$ 2,299,654

General Revenues and Transfers:

Property Taxes Levied for:

General Purposes

Special Purposes

Capital Outlay

Income Taxes

Other Local Taxes

Intergovernmental Revenues not Restricted to Specific Programs

Investment Earnings

Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements

CITY OF LANCASTER, OHIO

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (24,245,743)	\$ 0	\$ (24,245,743)
(568,920)	0	(568,920)
(2,872,463)	0	(2,872,463)
(534,092)	0	(534,092)
(1,164,556)	0	(1,164,556)
(9,104,401)	0	(9,104,401)
(396,059)	0	(396,059)
<u>(38,886,234)</u>	<u>0</u>	<u>(38,886,234)</u>
0	2,519,692	2,519,692
0	3,830,864	3,830,864
0	3,161,060	3,161,060
0	356,382	356,382
0	819,080	819,080
0	(10,674,319)	(10,674,319)
<u>0</u>	<u>12,759</u>	<u>12,759</u>
<u>\$ (38,886,234)</u>	<u>\$ 12,759</u>	<u>\$ (38,873,475)</u>
2,660,554	0	2,660,554
2,735,992	0	2,735,992
154,242	0	154,242
36,927,197	0	36,927,197
639,568	0	639,568
1,739,249	0	1,739,249
2,732,670	1,927,465	4,660,135
1,041,281	0	1,041,281
78,000	(78,000)	0
<u>48,708,753</u>	<u>1,849,465</u>	<u>50,558,218</u>
9,822,519	1,862,224	11,684,743
65,931,287	16,734,204	82,665,491
<u>\$ 75,753,806</u>	<u>\$ 18,596,428</u>	<u>\$ 94,350,234</u>

CITY OF LANCASTER, OHIO

**Balance Sheet
Governmental Funds
December 31, 2023**

	General	.45 Police and Fire Levy	2021 Police and Fire Levy
Assets:			
Pooled Cash and Investments	\$ 25,145,999	\$ 4,097,718	\$ 2,713,937
Investments	0	0	0
Receivables:			
Taxes	6,377,869	1,518,810	1,518,810
Accounts	231,185	7,604	2,025
Intergovernmental	730,721	89,431	0
Interest	150,108	0	0
Loans	0	0	0
Leases	0	0	0
Due from Other Funds	0	978,261	978,261
Inventory of Supplies	111,761	0	0
Prepaid Items	47,176	0	0
Restricted Assets:			
Cash and Cash Equivalents with Fiscal Agent	4,739	0	0
Total Assets	\$ 32,799,558	\$ 6,691,824	\$ 5,213,033
Liabilities:			
Accounts Payable	\$ 327,897	\$ 53,554	\$ 72,497
Accrued Wages and Benefits Payable	712,587	260,307	241,337
Intergovernmental Payable	281,370	0	0
Due to Others	0	0	0
Due to Other Funds	2,978,260	0	0
Unearned Revenue	0	0	0
Accrued Interest Payable	0	0	0
General Obligation Notes Payable	0	0	0
Advances from Other Funds	0	0	0
Compensated Absences Payable	78,887	0	0
Total Liabilities	4,379,001	313,861	313,834

CITY OF LANCASTER, OHIO

	Other Governmental Funds	Total Governmental Funds
\$	15,062,853	\$ 47,020,507
	1,057,720	1,057,720
	4,530,886	13,946,375
	61,926	302,740
	3,487,831	4,307,983
	5,916	156,024
	1,283,448	1,283,448
	54,847	54,847
	1,021,738	2,978,260
	340,569	452,330
	20,263	67,439
	0	4,739
\$	<u>26,927,997</u>	<u>\$ 71,632,412</u>
\$	549,555	\$ 1,003,503
	382,241	1,596,472
	0	281,370
	89,105	89,105
	0	2,978,260
	652,303	652,303
	1,243	1,243
	1,614,520	1,614,520
	113,000	113,000
	0	78,887
	<u>3,401,967</u>	<u>8,408,663</u>

(Continued)

CITY OF LANCASTER, OHIO

**Balance Sheet
Governmental Funds
December 31, 2023**

	General	.45 Police and Fire Levy	2021 Police and Fire Levy
Deferred Inflows of Resources:			
Property Taxes	3,097,000	0	0
Leases	0	0	0
Unavailable Revenue	2,453,179	883,635	883,635
Total Deferred Inflows of Resources	<u>5,550,179</u>	<u>883,635</u>	<u>883,635</u>
Fund Balances:			
Nonspendable	158,937	0	0
Restricted	0	5,494,328	4,015,564
Committed	0	0	0
Assigned	2,848,524	0	0
Unassigned	19,862,917	0	0
Total Fund Balances	<u>22,870,378</u>	<u>5,494,328</u>	<u>4,015,564</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 32,799,558</u>	<u>\$ 6,691,824</u>	<u>\$ 5,213,033</u>

See accompanying notes to the basic financial statements

CITY OF LANCASTER, OHIO

<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
3,003,426	6,100,426
54,847	54,847
<u>3,338,384</u>	<u>7,558,833</u>
<u>6,396,657</u>	<u>13,714,106</u>
360,832	519,769
11,920,643	21,430,535
6,288,312	6,288,312
275,000	3,123,524
<u>(1,715,414)</u>	<u>18,147,503</u>
<u>17,129,373</u>	<u>49,509,643</u>
<u>\$ 26,927,997</u>	<u>\$ 71,632,412</u>

CITY OF LANCASTER, OHIO

***Reconciliation Of Total Governmental Fund Balances
To Net Position Of Governmental Activities
December 31, 2023***

Total Governmental Fund Balances		\$ 49,509,643
 <i>Amounts reported for governmental activities in the statement of net position are different because</i>		
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.		72,496,055
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		7,558,833
Internal Service Funds are used by management to charge the costs of insurance, fuel usage and information services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		3,895,050
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:		
Deferred Outflows - Pension	21,066,786	
Deferred Inflows - Pension	(2,466,116)	
Net Pension Liability	<u>(60,162,089)</u>	(41,561,419)
The net OPEB liability is not due and payable/receivable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:		
Deferred Outflows - OPEB	3,335,038	
Deferred Inflows - OPEB	(3,305,779)	
Net OPEB Liability	<u>(3,492,484)</u>	(3,463,225)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General Obligation Bonds Payable	(6,714,770)	
Less: Deferred Loss on Early Retirement	13,490	
State Infrastructure Bank Loan Payable	(146,259)	
Ohio Water Development Authority Loan Payable	(180,185)	
Installment Loans	(799,772)	
Compensated Absences Payable	(4,823,093)	
Accrued Interest Payable	<u>(30,542)</u>	
		<u>(12,681,131)</u>
<i>Net Position of Governmental Activities</i>		<u>\$ 75,753,806</u>

See accompanying notes to the basic financial statements



CITY OF LANCASTER, OHIO

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2023**

	General	.45 Police and Fire Levy	2021 Police and Fire Levy
Revenues:			
Taxes	\$ 19,631,870	\$ 6,640,988	\$ 6,640,988
Intergovernmental Revenues	1,862,541	110,409	0
Charges for Services	3,722,079	101,275	21,900
Licenses, Permits and Fees	18,615	0	0
Investment Earnings	2,678,337	0	0
Special Assessments	0	0	0
Fines and Forfeitures	657,164	0	0
All Other Revenue	145,128	18,015	14,113
Total Revenue	28,715,734	6,870,687	6,677,001
Expenditures:			
Current:			
Security of Persons and Property	9,989,553	5,904,077	6,305,811
Public Health and Welfare Services	366,500	0	0
Leisure Time Activities	0	0	0
Community Environment	549,033	0	0
Transportation	0	0	0
General Government	9,797,872	0	0
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	37,406	0	0
Interest and Fiscal Charges	6,767	0	0
Total Expenditures	20,747,131	5,904,077	6,305,811
Excess (Deficiency) of Revenues Over Expenditures	7,968,603	966,610	371,190
Other Financing Sources (Uses):			
Transfers In	0	0	0
Transfers Out	(1,735,666)	0	0
Total Other Financing Sources (Uses)	(1,735,666)	0	0
Net Change in Fund Balances	6,232,937	966,610	371,190
Fund Balances at Beginning of Year	16,628,922	4,527,718	3,644,374
Increase (Decrease) in Inventory Reserve	8,519	0	0
Fund Balances End of Year	\$ 22,870,378	\$ 5,494,328	\$ 4,015,564

See accompanying notes to the basic financial statements

CITY OF LANCASTER, OHIO

<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 10,235,778	\$ 43,149,624
7,905,105	9,878,055
2,230,111	6,075,365
19,797	38,412
74,760	2,753,097
84,641	84,641
1,397,968	2,055,132
904,543	1,081,799
<u>22,852,703</u>	<u>65,116,125</u>
2,766,599	24,966,040
716,139	1,082,639
3,274,364	3,274,364
951,438	1,500,471
8,374,827	8,374,827
2,434,786	12,232,658
1,332,874	1,332,874
1,048,100	1,085,506
396,628	403,395
<u>21,295,755</u>	<u>54,252,774</u>
1,556,948	10,863,351
2,755,604	2,755,604
(941,938)	(2,677,604)
<u>1,813,666</u>	<u>78,000</u>
3,370,614	10,941,351
13,866,819	38,667,833
(108,060)	(99,541)
<u>\$ 17,129,373</u>	<u>\$ 49,509,643</u>

CITY OF LANCASTER, OHIO

***Reconciliation Of The Statement Of Revenues, Expenditures
And Changes In Fund Balances Of Governmental Funds
To The Statement Of Activities
For the Year Ended December 31, 2023***

Net Change in Fund Balances - Total Governmental Funds \$ 10,941,351

Amounts reported for governmental activities in the statement of activities are different because

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.

Capital Outlay	4,484,527	
Depreciation Expense	(3,045,743)	1,438,784

The net effect of various miscellaneous transactions involving capital assets (i.e. disposals and donations) is to increase/(decrease) net position.

The statement of activities reports losses arising from the disposal of capital assets. Conversely, the governmental funds do not report any loss on the disposal of capital assets.	(132,428)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(665,326)
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Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	4,553,955
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Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.	(8,135,937)
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Except for amounts reported as deferred inflows/outflows, changes in the net OPEB liability are reported as OPEB expense in the statement of activities.	334,578
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Repayment of bond, loan and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

General Obligation Bonds Payable	600,000	
Ohio Water Development Authority Loan Payable	20,898	
Installment Loan Payable	437,880	
State Infrastructure Bank Loan Payable	26,728	1,085,506

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	12,764
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(Continued)

CITY OF LANCASTER, OHIO

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Compensated Absences	(266,216)	
Change in Inventory	(99,541)	
Amortization of Loss on Early Retirement of Debt	(13,489)	
Amortization of Bond Premium	<u>8,061</u>	(371,185)

Internal Service Funds used by management to charge the costs of insurance, fuel use and information services to individual funds are not reported in the statement of activities. Governmental fund expenditures and related internal service revenues are eliminated. The net revenue (expense) of the internal service funds is allocated among the governmental activities.

760,457

Change in Net Position of Governmental Activities

\$ 9,822,519

See accompanying notes to the basic financial statements

CITY OF LANCASTER, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)**

General Fund

For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 16,024,823	\$ 13,477,063	\$ 19,937,330	\$ 6,460,267
Intergovernmental Revenue	1,611,583	1,937,083	2,013,310	76,227
Charges for Services	3,946,128	3,946,128	4,631,690	685,562
Licenses, Permits and Fees	22,600	22,600	18,990	(3,610)
Investment Earnings	600,000	600,000	1,279,402	679,402
Fines and Forfeitures	631,600	631,600	658,962	27,362
All Other Revenues	28,100	28,100	143,744	115,644
Total Revenues	<u>22,864,834</u>	<u>20,642,574</u>	<u>28,683,428</u>	<u>8,040,854</u>
Expenditures:				
Current:				
Security of Persons and Property	13,132,763	13,494,823	9,986,994	3,507,829
Public Health and Welfare Services	391,000	391,000	376,506	14,494
Community Environment	669,298	797,828	607,110	190,718
General Government	11,258,035	11,961,797	10,849,884	1,111,913
Debt Service:				
Principal Retirement	37,300	37,080	37,077	3
Interest and Fiscal Charges	13,630	13,850	7,096	6,754
Total Expenditures	<u>25,502,026</u>	<u>26,696,378</u>	<u>21,864,667</u>	<u>4,831,711</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,637,192)	(6,053,804)	6,818,761	12,872,565
Other Financing Sources (Uses):				
Transfers Out	(1,585,178)	(3,767,418)	(1,735,666)	2,031,752
Total Other Financing Sources (Uses):	<u>(1,585,178)</u>	<u>(3,767,418)</u>	<u>(1,735,666)</u>	<u>2,031,752</u>
Net Change in Fund Balance	(4,222,370)	(9,821,222)	5,083,095	14,904,317
Fund Balance at Beginning of Year	19,050,735	19,050,735	19,050,735	0
Prior Year Encumbrances	496,025	496,025	496,025	0
Fund Balance at End of Year	<u>\$ 15,324,390</u>	<u>\$ 9,725,538</u>	<u>\$ 24,629,855</u>	<u>\$ 14,904,317</u>

See accompanying notes to the basic financial statements

CITY OF LANCASTER, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Special Revenue Fund - .45 Police and Fire Levy Fund
For the Year Ended December 31, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 5,796,497	\$ 5,796,497	\$ 6,774,758	\$ 978,261
Intergovernmental Revenue	0	0	20,978	20,978
Charges for Services	0	0	101,275	101,275
All Other Revenues	0	0	15,725	15,725
Total Revenues	<u>5,796,497</u>	<u>5,796,497</u>	<u>6,912,736</u>	<u>1,116,239</u>
Expenditures:				
Current:				
Security of Persons and Property	<u>7,035,863</u>	<u>7,035,863</u>	<u>6,758,076</u>	<u>277,787</u>
Total Expenditures	<u>7,035,863</u>	<u>7,035,863</u>	<u>6,758,076</u>	<u>277,787</u>
Net Change in Fund Balance	(1,239,366)	(1,239,366)	154,660	1,394,026
Fund Balance at Beginning of Year	2,883,687	2,883,687	2,883,687	0
Prior Year Encumbrances	169,132	169,132	169,132	0
Fund Balance at End of Year	<u>\$ 1,813,453</u>	<u>\$ 1,813,453</u>	<u>\$ 3,207,479</u>	<u>\$ 1,394,026</u>

See accompanying notes to the basic financial statements

CITY OF LANCASTER, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Special Revenue Fund - 2021 Police and Fire Levy Fund
For the Year Ended December 31, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 5,796,497	\$ 5,796,497	\$ 6,774,758	\$ 978,261
Charges for Services	0	0	21,900	21,900
All Other Revenues	0	0	12,088	12,088
Total Revenues	<u>5,796,497</u>	<u>5,796,497</u>	<u>6,808,746</u>	<u>1,012,249</u>
Expenditures:				
Current:				
Security of Persons and Property	6,698,580	6,825,392	6,302,644	522,748
Total Expenditures	<u>6,698,580</u>	<u>6,825,392</u>	<u>6,302,644</u>	<u>522,748</u>
Net Change in Fund Balance	(902,083)	(1,028,895)	506,102	1,534,997
Fund Balance at Beginning of Year	2,070,662	2,070,662	2,070,662	0
Prior Year Encumbrances	13,314	13,314	13,314	0
Fund Balance at End of Year	<u>\$ 1,181,893</u>	<u>\$ 1,055,081</u>	<u>\$ 2,590,078</u>	<u>\$ 1,534,997</u>

See accompanying notes to the basic financial statements



CITY OF LANCASTER, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2023**

	Business-Type Activities			
	Enterprise Funds			
	Gas	Water	Water Pollution	Sanitation
Assets:				
Current assets:				
Pooled Cash and Investments	\$ 12,714,567	\$ 14,139,315	\$ 22,165,772	\$ 4,123,028
Accounts receivable	2,705,157	1,015,732	1,385,484	499,485
Intergovernmental receivable	0	140,021	0	0
Interest receivable	0	27,096	44,111	1,447
Due from Other Funds	0	0	0	0
Inventory	2,634,085	1,199,865	51,423	26,411
Prepaid Items	26,873	16,242	28,180	3,857
Prepaid Gas Supply - current	0	0	0	0
Total current assets	<u>18,080,682</u>	<u>16,538,271</u>	<u>23,674,970</u>	<u>4,654,228</u>
Noncurrent assets:				
Restricted Assets:				
Cash and Cash Equivalents	150,337	621,089	1,616,621	0
Investments	0	0	0	575,670
Total restricted assets	<u>150,337</u>	<u>621,089</u>	<u>1,616,621</u>	<u>575,670</u>
Prepaid Gas Supply	0	0	0	0
Land Held for Resale	0	0	0	0
Fair Value of Derivative Instruments	0	0	0	0
Advance to Other Funds	0	0	0	113,000
Capital assets:				
Capital Assets Not Being Depreciated	290,273	35,143,614	56,681,955	1,490,766
Capital Assets Being Depreciated	16,124,353	17,577,585	45,836,482	2,571,601
Total capital assets (net of accumulated depreciation)	<u>16,414,626</u>	<u>52,721,199</u>	<u>102,518,437</u>	<u>4,062,367</u>
Total noncurrent assets	<u>16,564,963</u>	<u>53,342,288</u>	<u>104,135,058</u>	<u>4,751,037</u>
Total Assets	<u>34,645,645</u>	<u>69,880,559</u>	<u>127,810,028</u>	<u>9,405,265</u>
Deferred Outflows of Resources:				
Deferred Loss on Early Retirement of Debt	0	200,168	786,177	0
Pension	1,123,234	1,503,771	967,788	831,142
OPEB	170,350	228,062	146,775	126,051
Total Deferred Outflows of Resources	<u>1,293,584</u>	<u>1,932,001</u>	<u>1,900,740</u>	<u>957,193</u>

CITY OF LANCASTER, OHIO

Storm Water	Port Authority	Total	Internal Service Funds
\$ 4,920,125	\$ 8,764,440	\$ 66,827,247	\$ 6,291,335
323,474	0	5,929,332	18,699
0	0	140,021	0
0	0	72,654	0
0	347,228	347,228	0
0	0	3,911,784	31,580
0	0	75,152	6,493
0	13,182,653	13,182,653	0
<u>5,243,599</u>	<u>22,294,321</u>	<u>90,486,071</u>	<u>6,348,107</u>
0	7,101,038	9,489,085	0
0	0	575,670	0
0	7,101,038	10,064,755	0
0	170,880,419	170,880,419	0
0	2,911,872	2,911,872	0
0	177,310,155	177,310,155	0
0	0	113,000	0
320,034	10,176	93,936,818	161,943
28,691,977	6,958	110,808,956	269,626
29,012,011	17,134	204,745,774	431,569
29,012,011	358,220,618	566,025,975	431,569
34,255,610	380,514,939	656,512,046	6,779,676
0	0	986,345	0
247,201	122,119	4,795,255	883,103
37,490	15,309	724,037	133,931
<u>284,691</u>	<u>137,428</u>	<u>6,505,637</u>	<u>1,017,034</u>

(Continued)

CITY OF LANCASTER, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2023**

	Business-Type Activities			
	Enterprise Funds			
	Gas	Water	Water Pollution	Sanitation
Liabilities:				
Current liabilities:				
Accounts Payable	460,480	162,769	304,986	461,540
Accrued Wages and Benefits	95,297	129,204	85,274	70,396
Intergovernmental Payable	0	0	0	0
Claims Payable	0	0	0	0
Due to Others	150,337	27,806	27,806	0
Due to Other Funds	347,228	0	0	0
Unearned Revenue	0	5,095,914	0	0
Accrued Interest Payable	0	51,082	282,720	8,396
General Obligation Bonds Payable - Current	0	0	0	267,000
Revenue Bond Payable - Current	0	400,000	890,000	0
Installment Loan Payable - Current	0	0	0	0
OWDA Loans Payable - Current	0	7,441	1,832,894	0
OPWC Loans Payable - Current	0	0	0	0
Landfill Postclosure Care Liability - Current	0	0	0	78,600
Compensated Absences Payable - Current	34,835	74,390	48,588	50,065
Total Current Liabilities	1,088,177	5,948,606	3,472,268	935,997
Noncurrent Liabilities:				
Long Term Notes Payable	0	975,000	0	0
General Obligation Bonds Payable	0	0	0	2,833,000
Installment Loans Payable	0	0	0	0
Revenue Bonds Payable	0	2,392,499	10,977,058	0
OWDA Loans Payable	0	26,643,758	57,889,053	0
OPWC Loans Payable	0	0	0	0
Landfill Postclosure Care Liability	0	0	0	594,795
Compensated Absences Payable	452,320	549,608	321,769	248,618
Net Pension Liability	2,715,109	3,634,948	2,339,358	2,009,056
Net OPEB Liability	57,496	76,975	49,539	42,545
Total noncurrent liabilities	3,224,925	34,272,788	71,576,777	5,728,014
Total Liabilities	4,313,102	40,221,394	75,049,045	6,664,011
Deferred Inflows of Resources:				
Pension	14,779	19,785	12,731	10,935
OPEB	18,963	25,387	16,339	14,032
Deferred Inflow from Derivative Instruments	0	0	0	0
Total Deferred Inflow of Resources	33,742	45,172	29,070	24,967

CITY OF LANCASTER, OHIO

Storm Water	Port Authority	Total	Internal Service Funds
14,293	1,594	1,405,662	199,601
21,293	4,082	405,546	72,891
0	1,866	1,866	0
0	0	0	328,819
0	0	205,949	0
0	0	347,228	0
0	6,696	5,102,610	0
3,718	6,149,447	6,495,363	0
0	0	267,000	0
0	1,460,000	2,750,000	0
42,090	0	42,090	0
69,529	0	1,909,864	0
34,622	0	34,622	0
0	0	78,600	0
16,144	0	224,022	25,885
<u>201,689</u>	<u>7,623,685</u>	<u>19,270,422</u>	<u>627,196</u>
0	0	975,000	0
0	0	2,833,000	0
136,932	0	136,932	0
0	328,679,462	342,049,019	0
3,761,313	0	88,294,124	0
173,113	0	173,113	0
0	0	594,795	0
74,591	0	1,646,906	277,088
597,540	246,659	11,542,670	2,134,655
12,653	4,905	244,113	45,206
<u>4,756,142</u>	<u>328,931,026</u>	<u>448,489,672</u>	<u>2,456,949</u>
<u>4,957,831</u>	<u>336,554,711</u>	<u>467,760,094</u>	<u>3,084,145</u>
3,252	0	61,482	11,618
4,173	1,618	80,512	14,909
0	177,310,155	177,310,155	0
<u>7,425</u>	<u>177,311,773</u>	<u>177,452,149</u>	<u>26,527</u>

(Continued)

CITY OF LANCASTER, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2023**

	Business-Type Activities			
	Enterprise Funds			
	Gas	Water	Water Pollution	Sanitation
Net Position:				
Net Investment in Capital Assets	16,414,626	22,502,669	31,715,609	2,837,223
Restricted for Debt Service	0	621,089	1,616,621	0
Unrestricted	15,177,759	8,422,236	21,300,423	836,257
Total Net Position	\$ 31,592,385	\$ 31,545,994	\$ 54,632,653	\$ 3,673,480

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.

Total Net Position of Business Type Activities

See accompanying notes to the basic financial statements

CITY OF LANCASTER, OHIO

<u>Storm Water</u>	<u>Port Authority</u>	<u>Total</u>	<u>Internal Service Funds</u>
24,794,412	17,134	98,281,673	431,569
0	0	2,237,710	0
4,780,633	(133,231,251)	(82,713,943)	4,254,469
<u>\$ 29,575,045</u>	<u>\$ (133,214,117)</u>	<u>\$ 17,805,440</u>	<u>\$ 4,686,038</u>
		<u>790,988</u>	
		<u>\$ 18,596,428</u>	

CITY OF LANCASTER, OHIO

**Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2023**

	Business-Type Activities			
	Enterprise Funds			
	Gas	Water	Water Pollution	Sanitation
Operating Revenues:				
Charges for Services	\$ 17,388,822	\$ 9,463,073	\$ 12,585,858	\$ 4,758,642
Other Operating Revenues	328,233	84,720	19,761	35,371
Total Operating Revenues	17,717,055	9,547,793	12,605,619	4,794,013
Operating Expenses:				
Personal Services	1,929,453	3,363,723	2,178,646	1,866,430
Contractual Services	1,694,676	1,654,814	2,127,627	1,631,229
Cost of Gas Sold	8,239,061	0	0	0
Materials and Supplies	2,265,045	1,241,029	1,487,700	392,845
Depreciation	1,106,687	1,419,505	2,788,870	438,064
Health Insurance Claims	0	0	0	0
Total Operating Expenses	15,234,922	7,679,071	8,582,843	4,328,568
Operating Income	2,482,133	1,868,722	4,022,776	465,445
Non-Operating Revenue (Expenses):				
Interest Income	0	596,762	1,011,516	9,942
Interest and Fiscal Charges	0	(181,444)	(929,369)	(61,010)
Intergovernmental Grants	464	431,132	0	0
Loss on Disposal of Capital Assets	(16,643)	0	0	(83,427)
Other Nonoperating Revenue	0	4,187	0	0
Total Non-Operating Revenues (Expenses)	(16,179)	850,637	82,147	(134,495)
Income (Loss) Before Contributions and Transfers	2,465,954	2,719,359	4,104,923	330,950
Capital Contributions	0	1,607,608	0	0
Transfers Out	0	(78,000)	0	0
Change in Net Position	2,465,954	4,248,967	4,104,923	330,950
Net Position Beginning of Year	29,126,431	27,297,027	50,527,730	3,342,530
Net Position End of Year	\$ 31,592,385	\$ 31,545,994	\$ 54,632,653	\$ 3,673,480

Change in Net Position of Enterprise Funds

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.

Change in Net Position of Business Type Activities

See accompanying notes to the basic financial statements

CITY OF LANCASTER, OHIO

<u>Storm Water</u>	<u>Port Authority</u>	<u>Total</u>	<u>Internal Service Funds</u>
\$ 3,083,674	\$ 4,042,258	\$ 51,322,327	\$ 13,065,308
32,257	10,452	510,794	44,074
<u>3,115,931</u>	<u>4,052,710</u>	<u>51,833,121</u>	<u>13,109,382</u>
576,816	197,091	10,112,159	1,833,054
1,278,491	191,803	8,578,640	550,377
0	1,243,935	9,482,996	0
3,388	0	5,390,007	1,404,927
447,534	1,501	6,202,161	54,530
0	0	0	8,235,077
<u>2,306,229</u>	<u>1,634,330</u>	<u>39,765,963</u>	<u>12,077,965</u>
809,702	2,418,380	12,067,158	1,031,417
0	309,245	1,927,465	0
(7,237)	(13,252,783)	(14,431,843)	0
0	30,000	461,596	3,079
0	0	(100,070)	0
0	130,084	134,271	0
<u>(7,237)</u>	<u>(12,783,454)</u>	<u>(12,008,581)</u>	<u>3,079</u>
802,465	(10,365,074)	58,577	1,034,496
0	0	1,607,608	0
0	0	(78,000)	0
802,465	(10,365,074)	1,588,185	1,034,496
<u>28,772,580</u>	<u>(122,849,043)</u>	<u>16,217,255</u>	<u>3,651,542</u>
<u>\$ 29,575,045</u>	<u>\$ (133,214,117)</u>	<u>\$ 17,805,440</u>	<u>\$ 4,686,038</u>
		\$ 1,588,185	
		<u>274,039</u>	
		<u>\$ 1,862,224</u>	

CITY OF LANCASTER, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2023**

	Business-Type Activities Enterprise Funds			
	Gas	Water	Water	
			Pollution	Sanitation
Cash Flows from Operating Activities:				
Cash Received from Customers	\$18,663,536	\$9,483,838	\$12,632,130	\$4,747,237
Cash Received from Swap Providers	0	0	0	0
Other Miscellaneous Cash Receipts	0	0	0	0
Cash Received from Interfund Services	0	0	0	0
Cash Payments for Goods and Services	(10,513,071)	(2,753,544)	(3,311,983)	(1,629,734)
Cash Payments to and on behalf of Employees	(1,422,342)	(2,627,958)	(1,803,932)	(1,456,078)
Cash Payments for Claims	0	0	0	0
Cash Payments for Interfund Services	(1,023,524)	(1,193,095)	(850,413)	(848,370)
Customer Deposits Returned	(8,385)	(1,551)	(1,551)	0
Net Cash Provided by Operating Activities	5,696,214	2,907,690	6,664,251	813,055
Cash Flows from Noncapital Financing Activities:				
Intergovernmental Grants Received	464	431,132	0	0
Receipt of Interfund Advance Repayment	0	0	0	11,800
Acquisition of Land Held for Resale	0	0	0	0
Proceeds from Sale of Land	0	0	0	0
Principal Paid on Revenue Bond Payable	0	0	0	0
Interest Paid on Debt	0	0	0	0
Transfers Out to Other Funds	0	(78,000)	0	0
Net Cash Provided (Used) by Noncapital Financing Activities	464	353,132	0	11,800
Cash Flows from Capital and Related Financing Activities:				
Proceeds from Ohio Water Development Authority Loan	0	23,416,880	20,800,368	0
Proceeds from General Obligation Notes	0	975,000	0	0
Principal Paid on General Obligation Notes	0	(1,475,000)	0	0
Proceeds from Sales of Capital Assets	22	0	0	0
Acquisition and Construction of Assets	(1,102,330)	(25,772,069)	(25,120,348)	(1,725,897)
Installment Loan Payments	0	0	0	0
Bond Proceeds	0	0	0	3,100,000
Principal Paid on Revenue Bonds Payable	0	(390,000)	(855,000)	0
Principal Paid on Ohio Water Development Authority Loans	0	(755,995)	(1,774,398)	0
Principal Paid on Ohio Public Works Commission Loan	0	0	0	0
Interest Paid on All Debt	0	(148,180)	(997,422)	(52,614)
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,102,308)	(4,149,364)	(7,946,800)	1,321,489
Cash Flows from Investing Activities:				
Purchase of Investments	0	0	0	(9,164)
Change in Fair Value of Investments	0	312,057	505,913	0
Receipt of Investment Earnings	0	264,883	473,283	9,164
Net Cash Provided for Investing Activities	0	576,940	979,196	0
Net Increase (Decrease) in Cash and Cash Equivalents	4,594,370	(311,602)	(303,353)	2,146,344
Cash and Cash Equivalents at Beginning of Year	8,270,534	15,072,006	24,085,746	1,976,684
Cash and Cash Equivalents at End of Year	\$12,864,904	\$14,760,404	\$23,782,393	\$4,123,028
Reconciliation of Cash and				
Cash Equivalents per the Statement of Net Position:				
Cash and Cash Equivalents	\$12,714,567	\$14,139,315	\$22,165,772	\$4,123,028
Restricted Cash and Cash Equivalents	150,337	621,089	1,616,621	0
Cash and Cash Equivalents at End of Year	\$12,864,904	\$14,760,404	\$23,782,393	\$4,123,028

CITY OF LANCASTER, OHIO

Storm Water	Port Authority	Totals	Internal Service Funds
\$3,101,939	\$4,707,492	\$53,336,172	\$0
0	12,619,809	12,619,809	0
0	140,164	140,164	0
0	0	0	13,136,213
(966,274)	(190,209)	(19,364,815)	(1,741,151)
(428,765)	(117,624)	(7,856,699)	(1,542,373)
0	0	0	(8,206,820)
(378,079)	0	(4,293,481)	(432,897)
0	0	(11,487)	0
<u>1,328,821</u>	<u>17,159,632</u>	<u>34,569,663</u>	<u>1,212,972</u>
0	30,000	461,596	3,079
0	0	11,800	0
0	(1,147,292)	(1,147,292)	0
0	10,000	10,000	0
0	(1,355,000)	(1,355,000)	0
0	(14,721,750)	(14,721,750)	0
0	0	(78,000)	0
<u>0</u>	<u>(17,184,042)</u>	<u>(16,818,646)</u>	<u>3,079</u>
20,286	0	44,237,534	0
0	0	975,000	0
0	0	(1,475,000)	0
0	0	22	0
(346,561)	0	(54,067,205)	(73,654)
(40,428)	0	(40,428)	0
0	0	3,100,000	0
0	0	(1,245,000)	0
(250,686)	0	(2,781,079)	0
(34,622)	0	(34,622)	0
(8,078)	0	(1,206,294)	0
<u>(660,089)</u>	<u>0</u>	<u>(12,537,072)</u>	<u>(73,654)</u>
0	0	(9,164)	0
0	0	817,970	0
0	309,245	1,056,575	0
<u>0</u>	<u>309,245</u>	<u>1,865,381</u>	<u>0</u>
668,732	284,835	7,079,326	1,142,397
4,251,393	15,580,643	69,237,006	5,148,938
<u>\$4,920,125</u>	<u>\$15,865,478</u>	<u>\$76,316,332</u>	<u>\$6,291,335</u>
\$4,920,125	\$8,764,440	\$66,827,247	\$6,291,335
0	7,101,038	9,489,085	0
<u>\$4,920,125</u>	<u>\$15,865,478</u>	<u>\$76,316,332</u>	<u>\$6,291,335</u>

(Continued)

CITY OF LANCASTER, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2023**

	Business-Type Activities Enterprise Funds			
	Gas	Water	Water Pollution	Sanitation
<u>Reconciliation of Operating Income to Net Cash</u>				
<u>Provided by Operating Activities:</u>				
Operating Income	\$2,482,133	\$1,868,722	\$4,022,776	\$465,445
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation Expense	1,106,687	1,419,505	2,788,870	438,064
Miscellaneous Nonoperating Revenue	0	4,187	0	0
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:				
(Increase) Decrease in Accounts Receivable	946,481	(68,142)	26,511	(46,776)
Decrease in Due from Other Funds	0	0	0	0
(Increase) Decrease in Inventory	1,828,008	(271,040)	2,546	12,747
(Increase) Decrease in Prepaid Items	(2,637)	(286)	(2,377)	87
Decrease in Prepaid Gas Supply	0	0	0	0
Decrease in Net OPEB Asset	302,391	401,327	258,373	226,283
Increase in Deferred Outflows of Resources - Pension	(746,636)	(1,003,204)	(645,732)	(549,252)
(Increase) Decrease in Deferred Outflows of Resources - OPEB	(170,350)	(228,062)	(146,775)	(126,051)
Increase (Decrease) in Accounts Payable	(38,940)	(129,923)	(126,022)	(29,361)
Increase (Decrease) in Accrued Wages and Benefits	5,084	(3,892)	4,060	1,902
Decrease in Due to Other Funds	(665,234)	0	0	0
Increase in Intergovernmental Payable	0	0	0	0
Decrease in Customer Deposits	(8,385)	(1,551)	(1,551)	0
Decrease in Unearned Revenue	0	0	0	0
Decrease in Landfill Postclosure Care Liability	0	0	0	(46,228)
Increase (Decrease) in Compensated Absences	32,471	57,806	(70,705)	21,852
Increase in Net Pension Liability	1,870,043	2,513,394	1,617,307	1,376,682
Increase in Net OPEB Liability	57,496	76,975	49,539	42,545
Decrease in Deferred Inflows of Resources - Pension	(1,008,930)	(1,338,861)	(861,957)	(755,120)
Decrease in Deferred Inflows of Resources - OPEB	(293,468)	(389,265)	(250,612)	(219,764)
Increase in Claims Payable	0	0	0	0
Total Adjustments	3,214,081	1,038,968	2,641,475	347,610
Net Cash Provided by Operating Activities	\$5,696,214	\$2,907,690	\$6,664,251	\$813,055

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2023, the Sanitation Fund had outstanding liabilities of \$271,115 for certain capital assets.

See accompanying notes to the basic financial statements

CITY OF LANCASTER, OHIO

Storm Water	Port Authority	Totals	Internal Service Funds
\$809,702	\$2,418,380	\$12,067,158	\$1,031,417
447,534	1,501	6,202,161	54,530
0	130,084	134,271	0
(13,992)	0	844,082	26,831
0	665,234	665,234	0
0	0	1,572,261	22,115
0	0	(5,213)	(4,858)
0	13,863,744	13,863,744	0
50,287	18,323	1,256,984	255,752
(187,923)	(54,062)	(3,186,809)	(581,614)
(37,490)	1,709	(707,019)	(133,931)
(10,838)	1,594	(333,490)	135,700
2,119	194	9,467	3,525
0	0	(665,234)	0
0	72	72	0
0	0	(11,487)	0
0	(372)	(372)	0
0	0	(46,228)	0
14,526	0	55,950	13,664
457,010	191,933	8,026,369	1,419,922
12,653	4,905	244,113	45,206
(166,985)	(66,294)	(4,198,147)	(854,207)
(47,782)	(17,313)	(1,218,204)	(249,337)
0	0	0	28,257
519,119	14,741,252	22,502,505	181,555
<u>\$1,328,821</u>	<u>\$17,159,632</u>	<u>\$34,569,663</u>	<u>\$1,212,972</u>

CITY OF LANCASTER, OHIO

***Statement of Net Position
Fiduciary Funds
December 31, 2023***

	<u>Custodial</u>
Assets:	
Cash and Cash Equivalents	\$ 250,674
Receivables:	
Intergovernmental	<u>1,943</u>
Total Assets	<u>252,617</u>
Liabilities:	
Intergovernmental Payable	<u>1,943</u>
Total Liabilities	<u>1,943</u>
Net Position:	
Restricted For:	
Individuals, Organizations and Other Governments	<u>250,674</u>
Total Net Position	<u>\$ 250,674</u>

See accompanying notes to the basic financial statements

CITY OF LANCASTER, OHIO

***Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended December 31, 2023***

	<u>Custodial</u>
Additions:	
Fines and Forfeitures Collections for Others	\$ 2,964,887
Total Additions	<u>2,964,887</u>
Deductions:	
Distribution of Fines and Forfeitures to Others	<u>2,954,050</u>
Total Deductions	<u>2,954,050</u>
 Change in Net Position	 10,837
 Net Position at Beginning of Year	 <u>239,837</u>
Net Position End of Year	<u><u>\$ 250,674</u></u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Lancaster, Ohio (the "City") was incorporated in 1831 under the laws of the State of Ohio. The Citizens elect Council members (six wards, three at large and a president) who serve two year terms, and the Mayor, City Auditor, City Solicitor and City Treasurer who all serve four year terms. In addition, two municipal court judges are elected to serve six year terms.

The financial statements are presented as of December 31, 2023 and for the year then ended, and have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the "GASB") is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

A. Reporting Entity

The accompanying basic financial statements comply with the provisions of the GASB Statement No. 14, *"The Financial Reporting Entity,"* as amended by GASB 61, in that the financial statements include all organizations, activities, functions and component units for which the City (the primary government) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the City's ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the City.

The City's financial reporting entity includes a blended component unit, the Lancaster Port Authority, as well as, all funds, agencies, boards and commissions that are part of the primary government, which include the following services: police and fire protection, parks and recreation, cemetery department, planning, zoning, street maintenance, basic utility (water, sewer, electric, gas, and refuse) and other governmental services. The Port Authority, although a legally separate entity, provides services almost entirely to the City by financing the purchase of gas supply for the Gas Fund. The Executive Director of the Port Authority also serves as the General Manager to the Lancaster Municipal Gas Department. In addition, the City Treasurer voluntarily serves as the Treasurer to the Port Authority. Separately issued financial statements can be obtained from Lancaster Port Authority, 104 East Main Street, Lancaster, OH 43130.

The City participates in several Jointly Governed Organizations which are further described in Note 19.

B. Basis of Presentation - Fund Accounting

The accounting system is organized and operated on the basis of funds each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures or expenses.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

The following fund types are used by the City:

Governmental Funds

Governmental funds are those funds through which most governmental functions typically are financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities (except those accounted for in the proprietary funds) are accounted for through governmental funds. The measurement focus is on determination of "financial flow" (sources, uses and balances of financial resources). The following are the City's major governmental funds:

General Fund - This fund is used to account for all financial resources except those accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio.

.45 Police and Fire Levy Fund – This fund is used to account for a .45% voted income tax levy to be used for the operations of the Police and Fire Departments.

2021 Police and Fire Levy Fund – This fund is used to account for a voted income tax levy used for police and fire operations and equipment.

Proprietary Funds

All proprietary funds are accounted for on an "economic resources" measurement focus. This measurement focus provides that assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of these funds are included on the statement of net position. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net position.

Enterprise Funds - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City's major enterprise funds are:

Gas Fund – This fund is used to account for the operation of the City's gas service.

Water Fund – This fund is used to account for the operation of the City's water service.

Water Pollution Fund – This fund is used to account for the operation of the City's sanitary sewer service.

Sanitation Fund – This fund is used to account for the operation of the City's solid waste collection and disposal service.

Storm Water Fund – This fund is used to account for the operation of the City's storm water drainage service.

Port Authority Fund – This fund is used to account for the operation of the City's economic development.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Internal Service Funds - These funds are used to account for the utilities billing services, information services, fuel deposits, engineering services, and health insurance services provided to other departments or agencies of the governmental unit on a cost-reimbursement basis.

Fiduciary Funds

Custodial Funds - These funds are used to account for assets held by a governmental unit as an agent for individuals, private organizations or other governmental units and therefore not available to support the City's own programs. These funds are reported using the economic resources measurement focus. The custodial funds account for municipal court collections that are distributed to the state and various local governments and fee collections to be distributed to the law library.

C. Basis of Presentation – Financial Statements

Government-wide Financial Statements – The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal Service fund activity is eliminated to avoid “doubling up” revenues and expenses. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function or program of the City's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the City.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

Fund Financial Statements – Fund financial statements report detailed information about the City. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of these funds are included on the statement of net position. The statement of changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

Fiduciary funds are reported using the economic resources measurement focus.

D. Basis of Accounting

Basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses reported in the financial statements. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. The term "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which the City considers to be 60 days after year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which is recognized when due.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. Revenue from income taxes is recognized in the period in which the income is earned and is available. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied and the revenue is available. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis.

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are recorded as unearned revenue.

Revenues considered susceptible to accrual at year end include income taxes, interest on investments, and state levied locally shared taxes, including motor vehicle license fees and local government assistance. Other revenues, including licenses, permits, certain charges for services, and miscellaneous revenues are recorded when received in cash, because generally these revenues are not measurable until received.

The accrual basis of accounting is utilized for reporting purposes for the government-wide, the proprietary fund and the fiduciary fund financial statements. Revenues are recognized when they are earned and expenses are recognized when they are incurred.

E. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation ordinance are subject to amendment throughout the year.

All funds, other than custodial funds and the Drug Enforcement Fund (special revenue fund), are legally required to be budgeted and appropriated; however, only the general fund and major special revenue funds are required to be reported. The primary level of budgetary control is at the object level within each department. Budgetary modifications may be made only by ordinance of the City Council. More detailed appropriation allocations may be made by the City Auditor as long as the allocations are within Council's appropriated amount.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

1. Tax Budget

The Mayor submits an annual tax budget for the following fiscal year to City Council by July 15 for consideration and passage. The adopted budget is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year for the period January 1 to December 31 of the following year.

2. Estimated Resources

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources stating the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or if actual receipts exceed current estimates. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 2023.

3. Appropriations

A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 through March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 through December 31. The appropriation ordinance establishes spending controls at the fund, department and object level (the legal level of control). The appropriation ordinance may be amended during the year as additional information becomes available, provided that total fund appropriations do not exceed the current estimated resources as certified by the County Budget Commission. The allocation of appropriations among departments and objects within a fund may only be modified during the year by an ordinance of City Council. During the year, several supplemental appropriations were legally enacted by Council. Administrative control is maintained through the establishment of more detailed line-item budgets. The amounts reported as the original budget amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The budgetary figures which appear on the "Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual" are presented on a budgetary basis to provide a comparison of actual results to the final budget, including all amendments and modifications.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

4. Lapsing of Appropriations

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the subsequent fiscal year and need not be reappropriated.

5. Budgetary Basis of Accounting

The City's budgetary process accounts for certain transactions on a basis other than accounting principles generally accepted in the United States of America (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on a cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary cash basis statements for the general fund and major special revenue funds:

	Net Change in Fund Balance		
	General Fund	.45 Police and Fire Levy Fund	2021 Police and Fire Levy Fund
GAAP Basis (as reported)	\$6,232,937	\$966,610	\$371,190
Increase (Decrease):			
Accrued Revenues at December 31, 2023 received during 2024	(2,133,504)	(1,710,471)	(1,615,461)
Accrued Revenues at December 31, 2022 received during 2023	2,237,893	1,752,520	1,747,206
Accrued Expenditures at December 31, 2023 paid during 2024	4,379,001	313,861	313,834
Accrued Expenditures at December 31, 2022 paid during 2023	(3,901,634)	(324,864)	(186,808)
2022 Prepays for 2023	216,085	47,243	0
2023 Prepays for 2024	(47,176)	0	0
Change in Cash with Fiscal Agent	282,004	0	0
Adjustment to Fair Value	(1,277,778)	0	0
Outstanding Encumbrances	(904,733)	(890,239)	(123,859)
Budget Basis	<u>\$5,083,095</u>	<u>\$154,660</u>	<u>\$506,102</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits, the State Treasury Asset Reserve (STAR Ohio) and certificates of deposit with original maturity dates of three months or less. See Note 5, "Cash, Cash Equivalents and Investments."

The City pools its cash, except for that held by fiscal agents and fiduciary fund cash and investments, for maximum investing efficiency. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintained its own cash and investment account. See Note 5, "Cash, Cash Equivalents and Investments."

G. Investments

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools" and GASB Statement No. 72, "Fair Value Measurement and Application", the City reports its investments at fair value, except for nonparticipating investment contracts (certificates of deposit) which are reported at cost, which approximates fair value. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statements.

The City's investment in the State Treasury Asset Reserve of Ohio (STAR Ohio) is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company and is recognized as an external investment pool by the City. The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value. For 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes. See Note 5, "Cash, Cash Equivalents and Investments."

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Derivative Instruments

The City's derivative financial instruments are accounted for in accordance with GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instrument* and GASB Statement No. 72, *Fair Value Measurement and Application*. In connection with this Statement, the fair value of the City's derivative financial instruments is recorded on the Statement of Net position, with an offsetting deferred inflow or outflow. At December 31, 2023, the fair value of the City's derivative instruments are offset by a deferred inflow.

Derivative instruments are utilized by the City to manage market risk and reduce its exposure resulting from fluctuations in prices of natural gas in order to meet debt service requirements. These instruments include commodity swap agreements which convert index-priced natural gas revenues to fixed prices for servicing outstanding debt obligations.

I. Inventory

Inventory is stated at cost using the first-in, first-out (FIFO) method. The costs of inventory items are recorded as expenditures in the governmental funds when purchased and as expenses in the government-wide and proprietary funds when used.

J. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2023, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

K. Prepaid Gas Supply

The City prepaid for deliveries of natural gas supplies with the proceeds from revenue bonds. Prepaid gas supplies are stated at the present value of the remaining fixed delivery amounts, as determined by the prepay contract. Swap agreements are used to convert the variable index prices to fixed prices sufficient to meet debt service requirements.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Capital Assets and Depreciation

Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and more than \$1,000 for the Port Authority.

1. Property, Plant and Equipment - Governmental Activities

Governmental activities capital assets are those not directly related to the business type funds. These generally are acquired or constructed for governmental activities and are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years). These assets are reported in the Governmental Activities column of the Government-wide Statement of Net Position, but they are not reported in the Fund Financial Statements.

Donated capital assets are recorded at acquisition value at the date received. Capital assets include land, construction in progress, buildings, building improvements, machinery, equipment and infrastructure. Infrastructure is defined as long-lived capital assets that normally are stationary in nature and normally can be preserved for a significant number of years. Examples of infrastructure include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems. Estimated historical costs for governmental activities capital asset values were initially determined by identifying historical costs when such information was available. In cases where information supporting original cost was not obtainable, estimated historical costs were developed. For certain capital assets, the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition.

2. Property, Plant and Equipment – Business Type Activities

Property, plant and equipment acquired by the proprietary funds are stated at cost (or estimated historical cost), including interest capitalized during construction and architectural and engineering fees where applicable. Donated capital assets are recorded at acquisition value at the date received. These assets are reported in both the Business-Type Activities column of the Government-wide Statement of Net Position and in the respective funds.

3. Depreciation

All capital assets are depreciated, excluding land and construction in progress. Depreciation has been provided using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Governmental and Business-Type Activities Estimated Lives (in years)</u>
Buildings	40
Improvements other than Buildings	20-25
Infrastructure	10-100
Machinery and Equipment, Vehicles	3 - 10

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Long-Term Obligations

Long-term liabilities are being repaid from the following funds:

<u>Obligation</u>	<u>Fund</u>
General Obligation Bonds Payable	General Bond Retirement Fund/Sanitation Fund
Revenue Bonds Payable	Water Fund, Water Pollution Fund, Port Authority Fund
Ohio Water Development Authority Loans	Street, Construction, Maintenance and Repair Fund, Water Fund, Water Pollution Fund Storm Water Fund
Ohio Public Works Commission Loan	General Bond Retirement Fund, Street Levy Fund, Storm Water Fund
State Infrastructure Bank Loan	Street Construction, Maintenance and Repair Fund
Installment Loans	General Fund, Cemetery Fund, Street Construction, Maintenance and Repair Fund, Fire Impact-District One Fund Parks and Recreation Fund, Storm Water Fund
Compensated Absences Net Pension Liability Net OPEB Liability	General Fund, .45 Police and Fire Levy Fund, Cemetery Fund, Street Construction, Maintenance and Repair Fund, Parks and Recreation Fund, Lancaster Community Development Fund, Gas Fund, Water Fund, Water Pollution Fund, Sanitation Fund, Storm Water Fund, Port Authority Fund, Utilities Collection Fund, Information Services Fund

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Compensated Absences

City employees earn vacation at varying rates based upon length of service. Vacation leave is accrued on January 1 of every year regardless of employee's anniversary date. One week of vacation time can be carried over with the department superintendent's permission. Upon separation from the City, the employee (or his estate) is paid for accumulated unused vacation leave balance.

Sick leave is accrued by all employees at the rate of 4.6 hours every 80 hours of compensation for a total of fifteen days of sick leave accrued per year. Upon retirement, employees are paid a pro-rata amount of accumulated sick leave based on the employee's date of hire and position and on negotiated work agreements with the City.

In accordance with GASB Statement No. 16, "*Accounting for Compensated Absences*," the City records a liability for vacation time and sick leave when the obligation is attributable to services previously rendered and it is probable that the City will compensate the employees for the benefits at termination or retirement. The City uses the vesting method for determining the liability for sick leave. Compensated absences accumulated by governmental fund type and proprietary fund type employees are reported as an expense when earned in the government-wide financial statements. For governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not recorded. For proprietary funds, the entire compensated absences amount is reported as a fund liability.

O. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability/asset, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

Q. Interfund Transactions

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Internal allocations of overhead expenses from one program to another or within the same program are eliminated on the Statement of Activities. Payments for interfund services provided and used are not eliminated.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Interfund services provided and used are not eliminated in the process of consolidation. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

R. Fund Balances

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

Nonspendable – Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally contractually required to be maintained intact.

Restricted – Restricted fund balance consists of amounts that have constraints placed on them either externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the City to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Fund Balances (Continued)

Committed – Committed fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City’s highest level of decision making authority. For the City, these constraints consist of ordinances passed by City Council. Committed amounts cannot be used for any other purpose unless the City removes or changes the specified use by taking the same type of action (ordinance) it employed previously to commit those amounts.

Assigned – Assigned fund balance consists of amounts that are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. The City has no formal policy authorizing a body or official to assign amounts for specific purposes.

Unassigned – Unassigned fund balance consists of amounts that have not been restricted, committed or assigned to specific purposes within the General Fund as well as negative fund balances in all other governmental funds.

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted (committed, assigned and unassigned) resources as they are needed.

S. Restricted Assets

Customer deposits, bond reserve accounts, landfill postclosure reserve accounts, and cash with fiscal agent are classified as restricted assets because these funds are being held for specified purposes.

T. Operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for gas distribution, water treatment and distribution, wastewater collection and treatment, maintenance of storm water collection systems and collection of solid waste refuse. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

U. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans, long-term interfund loans or interfund services provided and used are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

V. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has three items that qualifies for reporting in this category. One is the deferred loss on early retirement of debt reported in the government-wide and proprietary statements of net position. A deferred loss on early retirement of debt results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 11 and 12.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, leases, pension, OPEB, hedging derivatives and unavailable revenue. On the government-wide statement of net position and governmental funds balance sheet, property taxes that are intended to finance future fiscal periods are reported as deferred inflows. The cumulative increase in the hedging derivative is reported as a deferred inflow on both the proprietary statement of net position and government wide statement of net position. In addition, the governmental funds balance sheet reports deferred inflows which arise only under a modified accrual basis of accounting. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue for delinquent property taxes, income taxes, special assessments, and state levied shared taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide and proprietary fund statements of net position explained in Notes 11 and 12.

W. Contributions of Capital

Contributions of capital in the governmental and business type activities and the proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants for capital acquisition or construction.

X. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Y. Fair Value

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Z. Land Held for Resale

As part of the economic development program, the City has acquired land with the intent for the land to be sold to businesses to promote economic development within the City. Transactions are conducted through the City's Port Authority Fund.

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE

For 2023 the City implemented Governmental Accounting Standards Board (GASB) Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements," and Statement No. 96, "Subscription-Based Information Technology Arrangements."

GASB Statement No. 94 clarifies accounting and financial reporting requirements for public-private and public-public partnership arrangements and availability payment arrangements.

GASB Statement No. 96 provides guidance on accounting and financial reporting for subscription-based information technology arrangements for government end users.

The implementation of these Statements had no effect on beginning net position/fund balance.

CITY OF LANCASTER, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 3 – FUND BALANCE CLASSIFICATION

Fund balance is classified as nonspendable, restricted, committed, assigned, and unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General Fund	.45 Police and Fire Levy Fund	2021 Police and Fire Levy Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:					
Prepaid Items	\$47,176	\$0	\$0	\$20,263	\$67,439
Inventory of Supplies	111,761	0	0	340,569	452,330
Total Nonspendable	<u>158,937</u>	<u>0</u>	<u>0</u>	<u>360,832</u>	<u>519,769</u>
Restricted:					
Transportation Projects	0	0	0	2,139,651	2,139,651
Cemetery	0	0	0	1,779,342	1,779,342
Court Projects	0	0	0	2,572,430	2,572,430
Public Transportation	0	0	0	608,363	608,363
911 Services	0	0	0	167,759	167,759
Police and Fire Operations	0	5,494,328	4,015,564	2,385,544	11,895,436
Pension for Public Safety	0	0	0	132,115	132,115
Community Development	0	0	0	1,815,615	1,815,615
Debt Retirement	0	0	0	166	166
Capital Improvements	0	0	0	319,658	319,658
Total Restricted	<u>0</u>	<u>5,494,328</u>	<u>4,015,564</u>	<u>11,920,643</u>	<u>21,430,535</u>
Committed:					
Parks and Recreation	0	0	0	3,309,957	3,309,957
Capital Improvements	0	0	0	2,978,355	2,978,355
Total Committed	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,288,312</u>	<u>6,288,312</u>
Assigned:					
Projected budgetary deficit	2,271,688	0	0	0	2,271,688
Capital Improvements	0	0	0	275,000	275,000
Services and Supplies	576,836	0	0	0	576,836
Total Assigned	<u>2,848,524</u>	<u>0</u>	<u>0</u>	<u>275,000</u>	<u>3,123,524</u>
Unassigned:	<u>19,862,917</u>	<u>0</u>	<u>0</u>	<u>(1,715,414)</u>	<u>18,147,503</u>
Total Fund Balances	<u>\$22,870,378</u>	<u>\$5,494,328</u>	<u>\$4,015,564</u>	<u>\$17,129,373</u>	<u>\$49,509,643</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 4 - COMPLIANCE AND ACCOUNTABILITY

The fund deficits at December 31, 2023 of \$1,174,171 in the Ety Road TIF Project Fund and \$541,243 in the Columbian Construction Fund (capital projects funds) are the result of recording notes payable amounts in the individual fund balance sheets. The accumulated deficit of \$133,214,117 in the Port Authority Fund (enterprise fund) is the result of recording the prepaid gas supply at the present value of the future shipments and the related bonds payable at outstanding par value. At the end of the contract period, the net result will be zero. The accumulated deficit of \$599,427 in the Utilities Collection Fund and \$59,523 in the Environmental Engineering Fund (internal service funds) is the result of the recognition of payables in accordance with generally accepted accounting principles. The General Fund provides transfers, upon City Council's approval when cash is required not when accruals occur.

NOTE 5 - CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash resources of several individual funds are combined to form a pool of cash and investments. In addition, investments are separately held by a number of individual funds. The City has adopted an Investment Policy that follows Ohio Revised Code Chapter 135 and applies the prudent person standard. The prudent person standard requires the Auditor and Treasurer to exercise the care, skill and experience that a prudent person would use to manage his/her personal financial affairs and to seek investments that will preserve principal while maximizing income.

Statutes require the classification of funds held by the City into three categories:

Category 1 consists of "active" funds - those funds required to be kept in "cash" or "near cash" status for immediate use by the City. Such funds must be maintained either as cash in the City Treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of "inactive" funds - those funds not required for use within the current five year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing no later than the end of the current period of designation of depositories.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 5 - CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

Category 3 consists of "interim" funds - those funds not needed for immediate use but needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above provided that the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to fair value daily, and that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- Time certificates of deposits or savings or deposit accounts, including, but not limited to, passbook account;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
- The State Treasury Asset Reserve of Ohio (STAR Ohio);
- Securities lending agreements in which the City lends securities and the eligible institution agrees to simultaneously exchange similar securities or cash, equal value for equal value;
- Commercial paper notes, corporate notes and banker's acceptances; and,
- Debt interest rated at the time of purchase in the three highest categories by two nationally recognized standard rating services and issued by foreign nations diplomatically recognized by the United States government.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 5 - CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

A. Deposits

Custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned. Protection of City cash and deposits is provided by the Federal Deposit Insurance Corporation as well as qualified securities pledged by the institution holding the assets. The City has no policy on custodial credit risk and is governed by the Ohio Revised Code. Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate fair value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). Ohio law requires that deposits be either insured or be protected by eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

At year end the carrying amount of the City's deposits was \$49,698,670 and the bank balance was \$50,205,636. Federal depository insurance covered \$1,920,939 of the bank balance and \$48,284,697 was exposed to custodial risk and was collateralized with securities held by the pledging financial institutions trust department or agent but not in the City's name and securities held in the Ohio Pooled Collateral System.

Investment earnings of \$1,766,739 earned by other funds were credited to the General Fund as required by state statute.

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CITY OF LANCASTER, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 5 - CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

B. Investments

The City's investments at December 31, 2023 were as follows:

	Fair Value	Credit Rating	Concentration of Credit Risk	Investment Maturities (in Years)			
				less than 1	1-3	3-5	more than 5
STAR Ohio	\$64,200	AAA ¹	0.08%	\$64,200	\$0	\$0	\$0
Negotiable CD's	5,986,067	N/A ³	7.32%	0	5,986,067	0	0
Money Market	4,106,187	AA+ ¹ , Aaa ²	5.02%	4,106,187	0	0	0
Municipal Bonds	2,856,931	*	3.49%	144,644	1,947,460	221,080	543,747
School Bonds	281,798	AA+ ¹ , Aaa ²	0.34%	281,798	0	0	0
U.S. Treasuries	18,246,000	AA+ ¹ , Aaa ²	22.30%	0	10,828,160	7,417,840	0
FNMA	4,754,612	AA+ ¹ , Aaa ²	5.81%	0	4,754,612	0	0
FHLB	26,493,732	AA+ ¹ , Aaa ²	32.38%	0	6,541,546	17,950,134	2,002,052
FFCB	9,287,691	AA+ ¹ , Aaa ²	11.35%	0	5,388,340	3,899,351	0
FHLMC	9,741,089	AA+ ¹ , Aaa ²	11.91%	0	5,896,803	978,100	2,866,186
Total Investments	\$81,818,307		100.00%	\$4,596,829	\$41,342,988	\$30,466,505	\$5,411,985

¹ Standard & Poor's

² Moody's Investor Service

³ All are fully FDIC insured

* Standard & Poor's ratings of AA and A+, Moody's ratings of Aa1-Aa3

The City's investments are valued using quoted fair value prices (Level 2 inputs).

Interest Rate Risk – The Ohio Revised Code generally limits security purchases to those that mature within five years of settlement date. The City has no policy that limits investment purchases beyond the requirements of the Ohio Revised Code.

Investment Credit Risk – The City has no investment policy that limits its investment choices other than the limitation of State statute for “interim” funds described previously.

Concentration of Credit Risk – The City places no limit on the amount the City may invest in one issuer.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 6 - TAXES

A. Property Taxes

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the City. Real property taxes (other than public utility) collected during 2023 were levied after October 1, 2022 on assessed values as of January 1, 2022, the lien date. Assessed values were established by the County Auditor at 35% of appraised market value. All property is required to be revalued every six years. The last revaluation was completed in 2019. Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 31; if paid semiannually, the first payment is due February and the remainder payable in July. Under certain circumstances, state statute permits later payment dates to be established.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property is currently assessed at 100% of its true value. Public utility property taxes are payable on the same dates as real property described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County including the City of Lancaster. The County Auditor periodically remits to the City its portion of the taxes collected.

The full tax rate for the City's operations for the year ended December 31, 2023 was \$6.40 per \$1,000 of assessed value. The assessed value upon which the 2023 property tax receipts were based was \$1,051,418,450. This amount constitutes \$1,008,349,800 in real property assessed value and \$43,068,650 in public utility property. Ohio law prohibits taxation of property from all taxing authorities in excess of 1% of assessed value without a vote of the people. Under current procedures, the City's share is .64% (6.40 mills) of assessed value.

B. Income Tax

The City levies a tax of 2.2%, 1.65% of which is voter approved, on all salaries, wages, commissions and other compensation and on net profits earned within the City as well as on incomes of residents earned outside the City. The City allows a credit of 100% of the first 1.0% unvoted tax paid to another municipality to a maximum of the total amount assessed.

Employers within the City are required to withhold income tax on employees' compensation and remit the tax to the City either monthly or quarterly, as required. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 7 - RECEIVABLES

Receivables at December 31, 2023 consisted of taxes, accounts, interest, loans and intergovernmental receivables arising from shared revenues. These amounts are shown separately on the face of the financial statements with the exception of property and income taxes receivable in the amount of \$6,183,568 and \$7,762,807 respectively. Delinquents are included in the amounts presented.

Leases Receivable - The City leases office space as lessor. In 2023 the City received \$54,702 in lease payments. The total lease receivable balance at December 31, 2023 was \$54,847.

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CITY OF LANCASTER, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 8 – INTERFUND ACCOUNTS

Interfund balances at December 31, 2023 consist of the following individual fund receivables and payables:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$0	\$2,978,260
.45 Police and Fire Levy	978,261	0
2021 Police and Fire Levy	978,261	0
Nonmajor Governmental Funds	<u>1,021,738</u>	<u>0</u>
Total Governmental Funds	2,978,260	2,978,260
Enterprise Funds:		
Gas	0	347,228
Port Authority	<u>347,228</u>	<u>0</u>
Total Enterprise Funds	<u>347,228</u>	<u>347,228</u>
Totals	<u><u>\$3,325,488</u></u>	<u><u>\$3,325,488</u></u>
	<u>Advance to Other Funds</u>	<u>Advance from Other Funds</u>
Nonmajor Governmental Funds	\$0	\$113,000
Enterprise Fund:		
Sanitation Fund	<u>113,000</u>	<u>0</u>
Totals	<u><u>\$113,000</u></u>	<u><u>\$113,000</u></u>

The Due to Other Funds is income tax collections due to other funds and a payment for gas purchases to the Port Authority. The Advance Loan consists of a long-term loan to be paid back in annual installments through 2031.

NOTE 9 - TRANSFERS

Following is a summary of transfers in and out for all funds for 2023:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$0	\$1,735,666
Nonmajor Governmental Funds	2,755,604	941,938
Enterprise Funds:		
Water Fund	<u>0</u>	<u>78,000</u>
Total Transfers	<u><u>\$2,755,604</u></u>	<u><u>\$2,755,604</u></u>

Transfers are used to move revenues from the funds that statute or budget requires to collect them to the funds that statute or budget requires to expend them; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund from which it was originally provided once a project is completed.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 10 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2023:

Historical Cost:

Class	December 31, 2022	Additions	Deletions	December 31, 2023
Capital assets not being depreciated:				
Land	\$19,204,645	\$0	\$0	\$19,204,645
Construction in Progress	138,933	23,010	0	161,943
Subtotal	19,343,578	23,010	0	19,366,588
Capital assets being depreciated:				
Buildings	18,117,920	0	(49,925)	18,067,995
Improvements Other than Buildings	8,847,111	117,358	(82,624)	8,881,845
Machinery and Equipment	7,405,784	558,550	(785,027)	7,179,307
Vehicles	9,235,416	1,269,519	(480,216)	10,024,719
Infrastructure	51,171,726	2,539,100	(165,343)	53,545,483
Subtotal	94,777,957	4,484,527	(1,563,135)	97,699,349
Total Cost	\$114,121,535	\$4,507,537	(\$1,563,135)	\$117,065,937

Accumulated Depreciation:

Class	December 31, 2022	Additions	Deletions	December 31, 2023
Buildings	(\$6,754,249)	(\$399,791)	\$46,474	(\$7,107,566)
Improvements Other than Buildings	(6,229,299)	(247,296)	81,013	(6,395,582)
Machinery and Equipment	(5,320,487)	(520,166)	657,661	(5,182,992)
Vehicles	(7,226,466)	(807,548)	480,216	(7,553,798)
Infrastructure	(17,017,625)	(1,108,807)	165,343	(17,961,089)
Total Depreciation	(\$42,548,126)	(\$3,083,608) *	\$1,430,707	(\$44,201,027)
Net Value:	\$71,573,409			\$72,864,910

* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	\$555,650
Leisure Time Activities	305,514
Public Health and Welfare	22,704
Transportation	1,730,828
General Government	431,047
Internal Service Fund Capital Assets	37,865
Total Depreciation Expense	\$3,083,608

CITY OF LANCASTER, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 10 – CAPITAL ASSETS (Continued)

B. Business-Type Activities Capital Assets

Summary by Category at December 31, 2023:

Historical Cost:

Class	December 31, 2022	Additions	Deletions	December 31, 2023
Capital assets not being depreciated:				
Land	\$3,784,056	\$0	\$0	\$3,784,056
Construction in Progress	39,135,016	51,017,746	0	90,152,762
Subtotal	42,919,072	51,017,746	0	93,936,818
Capital assets being depreciated:				
Buildings	81,285,152	0	0	81,285,152
Improvements	34,660,929	49,644	(10,857)	34,699,716
Machinery and Equipment	11,404,739	749,558	(403,063)	11,751,234
Vehicles	7,792,112	1,523,605	(127,954)	9,187,763
Infrastructure	120,488,786	948,407	0	121,437,193
Subtotal	255,631,718	3,271,214	(541,874)	258,361,058
Total Cost	\$298,550,790	\$54,288,960	(\$541,874)	\$352,297,876

Accumulated Depreciation:

Class	December 31, 2022	Additions	Deletions	December 31, 2023
Buildings	(\$34,217,579)	(\$1,953,590)	\$0	(\$36,171,169)
Improvements	(32,805,221)	(117,319)	10,857	(32,911,683)
Machinery and Equipment	(9,552,622)	(412,804)	302,971	(9,662,455)
Vehicles	(5,974,755)	(726,261)	127,954	(6,573,062)
Infrastructure	(59,162,167)	(3,008,852)	0	(62,171,019)
Total Depreciation	(\$141,712,344)	(\$6,218,826)	\$441,782	(\$147,489,388)
Net Value:	\$156,838,446			\$204,808,488

Internal service funds serve both governmental and business-type funds. Accordingly, capital assets for these funds are included as part of the above totals for governmental and business-type funds. At year-end, \$368,855 and \$62,714 of internal service funds capital assets, net of depreciation are included in the respective above amounts. Also, \$37,865 and \$16,665 of depreciation expense for the internal service funds are included in the respective above amounts.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 11 – DEFINED BENEFIT PENSION PLANS

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the City’s proportionate share of each pension plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan’s fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the City’s obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which pensions are financed; however, the City does receive the benefit of employees’ services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. Effective January 1, 2022, the Combined Plan is no longer available for member selection. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS’ fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member’s career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member’s career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The initial amount of a member’s pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3.00% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.00% to the member’s FAS for the first 30 years of service.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member’s FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS’s Board of Trustees. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member’s contributions plus or minus the investment gains or losses resulting from the member’s investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members’ contributions, vested employer contributions and investment gains or losses resulting from the members’ investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit. For additional information, see the Plan Statement in the OPERS Annual Comprehensive Financial Report.

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
2023 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2023 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits	0.0
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City’s contractually required contribution was \$2,759,257 for 2023. Of this amount, \$331,980 is reported as an intergovernmental payable.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

Plan Description – Ohio Police & Fire Pension Fund (OPF)

Plan Description - City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OPF provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OPF issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OPF fiduciary net position. The report that may be obtained by visiting the OPF website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OPF may retire and receive a lifetime monthly pension. OPF offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit. (see OP&F Annual Comprehensive Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either 3.00% or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to 3.00% of their base pension or disability benefit.

Members who retired prior to July 24, 1986 or their surviving beneficiaries under optional plans are entitled to cost-of-living allowance increases. The annual increase is paid on July 1st of each year. The annual COLA increase is \$360 under a Single Life Annuity Plan with proportional reductions for optional payment plans.

CITY OF LANCASTER, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>Police</u>	<u>Firefighters</u>
2023 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25
2023 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50</u>	<u>0.50</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OPF was \$2,882,004 for 2023. Of this amount, \$245,677 is reported as an intergovernmental payable.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability for OPERS was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF’s total pension liability was measured as of December 31, 2022, and was determined by rolling forward the total pension liability as of January 1, 2022, to December 31, 2022. The City’s proportion of the net pension liability was based on the City’s share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$32,585,323	\$41,254,091	\$73,839,414
Proportion of the Net Pension Liability-2023	0.109474%	0.434298%	
Proportion of the Net Pension Liability-2022	<u>0.111141%</u>	<u>0.433504%</u>	
Percentage Change	<u>(0.001667%)</u>	<u>0.000794%</u>	
Pension Expense	\$4,786,371	\$5,043,581	\$9,829,952

CITY OF LANCASTER, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Changes in assumptions	\$344,242	\$3,720,977	\$4,065,219
Differences between expected and actual experience	1,082,352	618,795	1,701,147
Net difference between projected and actual earnings on pension plan investments	9,287,841	6,006,091	15,293,932
Change in proportionate share	26,863	16,722	43,585
City contributions subsequent to the measurement date	<u>2,759,257</u>	<u>2,882,004</u>	<u>5,641,261</u>
Total Deferred Outflows of Resources	<u>\$13,500,555</u>	<u>\$13,244,589</u>	<u>\$26,745,144</u>
Deferred Inflows of Resources			
Changes in assumptions	\$0	\$804,444	\$804,444
Differences between expected and actual experience	0	939,891	939,891
Change in proportionate share	<u>176,017</u>	<u>618,864</u>	<u>794,881</u>
Total Deferred Inflows of Resources	<u>\$176,017</u>	<u>\$2,363,199</u>	<u>\$2,539,216</u>

\$5,641,261 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Year Ending December 31:			
2024	\$1,161,663	\$642,200	\$1,803,863
2025	2,119,914	1,858,948	3,978,862
2026	2,733,863	2,189,071	4,922,934
2027	4,549,841	3,395,732	7,945,573
2028	<u>0</u>	<u>(86,565)</u>	<u>(86,565)</u>
Total	<u>\$10,565,281</u>	<u>\$7,999,386</u>	<u>\$18,564,667</u>

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

The total pension liability in the December 31, 2022 and December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	December 31, 2022
Wage Inflation	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	3 percent simple through 2023. 2.05 percent simple, thereafter
Investment Rate of Return	6.9 percent
Actuarial Cost Method	Individual Entry Age
	December 31, 2021
Wage Inflation	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	3 percent simple through 2022. 2.05 percent simple, thereafter
Investment Rate of Return	6.9 percent
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five year period ended December 31, 2020.

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 12.1 percent for 2022.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real estate rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

For each major class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	22.00 %	2.62 %
Domestic Equities	22.00	4.60
Real Estate	13.00	3.27
Private Equity	15.00	7.53
International Equities	21.00	5.51
Risk Parity	2.00	4.37
Other Investments	5.00	3.27
Total	100.00 %	

Discount Rate The discount rate used to measure the total pension liability was 6.9 percent. The discount rate for the prior year was 6.9 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the City’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 6.9 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
City's proportionate share of the net pension liability	\$48,811,733	\$32,585,323	\$19,087,869

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions – OPF

OPF’s total pension liability as of December 31, 2022 is based on the results of an actuarial valuation date of January 1, 2022, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2022, compared with January 1, 2021, are presented below.

	January 1, 2022	January 1, 2021
Valuation Date	January 1, 2022, with actuarial liabilities rolled forward to December 31, 2022	January 1, 2021, with actuarial liabilities rolled forward to December 31, 2021
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	7.5 percent	7.5 percent
Projected Salary Increases	3.75 percent to 10.5 percent	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5	Inflation rate of 2.75 percent plus productivity increase rate of 0.5
Cost of Living Adjustments	2.2 percent simple	2.2 percent simple

For the January 1, 2022 valuation, mortality for non-disabled participants is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. All rates are projected using the MP-2021 Improvement Scale.

For the January 1, 2022 valuation, mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. All rates are projected using the MP-2021 Improvement Scale.

For the January 1, 2022 valuation, mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9% for males and 131% for females. All rates are projected using the MP-2021 Improvement Scale.

For the January 1, 2022 valuation, mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

The most recent experience study was completed for the five year period ended December 31, 2016.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF’s target asset allocation as of December 31, 2022 are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	18.60	4.80
Non-US Equity	12.40	5.50
Private Markets	10.00	7.90
Core Fixed Income *	25.00	2.50
High Yield Fixed Income	7.00	4.40
Private Credit	5.00	5.90
U.S. Inflation Linked Bonds *	15.00	2.00
Midstream Energy Infrastructure	5.00	5.90
Real Assets	8.00	5.90
Gold	5.00	3.60
Private Real Estate	12.00	5.30
Commodities	2.00	3.60
Total	125.00 %	

* levered 2.5x

Note: Assumptions are geometric

OPF’s Board of Trustees has incorporated the “risk parity” concept into OPF’s asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

Discount Rate For 2022, the total pension liability was calculated using the discount rate of 7.50 percent. The discount rate used for 2021 was 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 7.50 percent. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability	\$54,422,105	\$41,254,091	\$30,307,519

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 12 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

The net OPEB liability reported on the statement of net position represents a liability to employees for OPEB. OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB liability represents the City’s proportionate share of each OPEB plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan’s fiduciary net position. The net OPEB liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

Ohio Revised Code limits the City’s obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which OPEB are financed; however, the City does receive the benefit of employees’ services in exchange for compensation including OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS-covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare-eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS. For those retiring on or after January 1, 2015, the allowance has been determined by applying a percentage to the base allowance. The percentage applied is based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance. Those who retired prior to January 1, 2015, will have an allowance of at least 75 percent of the base allowance.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses. These changes are reflected in the December 31, 2020, measurement date health care valuation.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have 20 or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. Current retirees eligible (or who become eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements will change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2023, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2023. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2023 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2023.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

Plan Description – Ohio Police & Fire Pension Fund (OP&F)

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements. OP&F contracted with a vendor who assists eligible retirees in choosing health care plans that are available where they live (both Medicare-eligible and pre-65 populations). A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses.

Regardless of a benefit recipient's participation in the health care program, OP&F is required by law to pay eligible recipients of a service pension, disability benefit and spousal survivor benefit for their Medicare Part B insurance premium, up to the statutory maximum provided the benefit recipient is not eligible to receive reimbursement from any other source. Even if an OP&F member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75. OP&F maintains funds for health care in two separate accounts: one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. IRS Code Section 401(h) account is maintained for Medicare Part B reimbursements.

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2023, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contractually required contribution to OP&F was \$66,924 for 2023. Of this amount, \$5,467 is reported as an intergovernmental payable.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2022, and was determined by rolling forward the total OPEB liability as of January 1, 2022, to December 31, 2022. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net OPEB Liability	\$689,728	\$3,092,075	\$3,781,803
Proportion of the Net OPEB Liability-2023	0.108613%	0.434298%	
Proportion of the Net OPEB Liability-2022	0.110471%	0.433504%	
Percentage Change	<u>(0.001858%)</u>	<u>0.000794%</u>	
OPEB Expense	(\$1,144,461)	\$295,823	(\$848,638)

CITY OF LANCASTER, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Changes in assumptions	\$673,679	\$1,540,919	\$2,214,598
Differences between expected and actual experience	0	184,516	184,516
Net difference between projected and actual earnings on OPEB plan investments	1,369,829	265,207	1,635,036
Change in proportionate share	775	91,157	91,932
City contributions subsequent to the measurement date	0	66,924	66,924
Total Deferred Outflows of Resources	<u>\$2,044,283</u>	<u>\$2,148,723</u>	<u>\$4,193,006</u>
Deferred Inflows of Resources			
Changes in assumptions	\$55,431	\$2,529,066	\$2,584,497
Differences between expected and actual experience	172,047	609,694	781,741
Change in proportionate share	0	34,962	34,962
Total Deferred Inflows of Resources	<u>\$227,478</u>	<u>\$3,173,722</u>	<u>\$3,401,200</u>

\$66,924 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
2024	\$226,941	(\$10,595)	\$216,346
2025	500,963	6,726	507,689
2026	427,154	(137,868)	289,286
2027	661,747	(73,763)	587,984
2028	0	(256,619)	(256,619)
2029	0	(284,867)	(284,867)
2030	0	(322,057)	(322,057)
2031	0	(12,880)	(12,880)
Total	<u>\$1,816,805</u>	<u>(\$1,091,923)</u>	<u>\$724,882</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	2.75 percent
Projected Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	5.22 percent
Prior measurement date	6.00 percent
Investment Rate of Return:	
Current measurement date	6.00 percent
Prior measurement date	6.00 percent
Municipal Bond Rate:	
Current measurement date	4.05 percent
Prior measurement date	1.84 percent
Health Care Cost Trend Rate:	
Current measurement date	5.5 percent initial, 3.5 percent ultimate in 2036
Prior measurement date	5.5 percent initial, 3.5 percent ultimate in 2034
Actuarial Cost Method	Individual Entry Age Normal

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five year period ended December 31, 2020.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, if any contributions are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a loss of 15.6 percent for 2022.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic rates of return were provided by OPERS investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	2.56 %
Domestic Equities	26.00	4.60
Real Estate Investment Trust	7.00	4.70
International Equities	25.00	5.51
Risk Parity	2.00	4.37
Other investments	6.00	1.84
Total	100.00 %	

Discount Rate A single discount rate of 5.22 percent was used to measure the OPEB liability on the measurement date of December 31, 2022. A single discount rate of 6.00 percent was used to measure the OPEB liability on the measurement date of December 31, 2021. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 4.05 percent (Fidelity Index's "20-Year Municipal GO AA Index").

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2054. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2054, the duration of the projection period through which projected health care payments are fully funded.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 5.22 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (4.22 percent) or one-percentage-point higher (6.22 percent) than the current rate:

	1% Decrease (4.22%)	Current Discount Rate (5.22%)	1% Increase (6.22%)
City's proportionate share of the net OPEB liability (asset)	\$2,347,531	\$689,728	(\$678,225)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2023 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$646,501	\$689,728	\$738,390

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions – OP&F

OP&F’s total OPEB liability as of December 31, 2022, is based on the results of an actuarial valuation date of January 1, 2022, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee’s entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Valuation Date	January 1, 2022, with actuarial liabilities rolled forward to December 31, 2022	January 1, 2021, with actuarial liabilities rolled forward to December 31, 2021
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	7.5 percent	7.5 percent
Projected Salary Increases	3.75 percent to 10.5 percent	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Single discount rate	4.27 percent	2.84 percent
Cost of Living Adjustments	2.2 percent simple	2.2 percent simple

For the January 1, 2022 valuation, mortality for non-disabled participants is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. All rates are projected using the MP-2021 Improvement Scale.

For the January 1, 2022 valuation, mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. All rates are projected using the MP-2021 Improvement Scale.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

For the January 1, 2022 valuation, mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9% for males and 131% for females. All rates are projected using the MP-2021 Improvement Scale.

For the January 1, 2022 valuation, mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

The most recent experience study was completed for the five year period ended December 31, 2016.

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in OP&F's Statement of Investment Policy. A forecasted rate of inflation serves as a baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2022 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	18.60	4.80
Non-US Equity	12.40	5.50
Private Markets	10.00	7.90
Core Fixed Income *	25.00	2.50
High Yield Fixed Income	7.00	4.40
Private Credit	5.00	5.90
U.S. Inflation Linked Bonds*	15.00	2.00
Midstream Energy Infrastructure	5.00	5.90
Real Assets	8.00	5.90
Gold	5.00	3.60
Private Real Estate	12.00	5.30
Commodities	2.00	3.60
Total	<u>125.00 %</u>	

* levered 2.5x

Note: Assumptions are geometric

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

OP&F’s Board of Trustees has incorporated the risk parity concept into OP&F’s asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

Discount Rate For 2022, the total OPEB liability was calculated using the discount rate of 4.27 percent. For 2021, the total OPEB liability was calculated using the discount rate of 2.84 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 7.50 percent for 2022, and 7.50 percent for 2021. Based on those assumptions, OP&F’s fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 3.65 percent at December 31, 2022 and 2.05 percent at December 31, 2021, was blended with the long-term rate of 7.50 percent, which resulted in a blended discount rate of 4.27 percent for 2022 and 2.84 percent for 2021. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan’s fiduciary net position was projected to be available to make all projected OPEB payments until 2035. The long-term expected rate of return on health care investments was applied to projected costs through 2035, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 4.27 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.27 percent), or one percentage point higher (5.27 percent) than the current rate.

	1% Decrease (3.27%)	Current Discount Rate (4.27%)	1% Increase (5.27%)
City's proportionate share of the net OPEB liability	\$3,807,600	\$3,092,075	\$2,487,988

Sensitivity of the City’s Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate The total OPEB liability is based on a medical benefit that is a flat dollar amount; therefore, it is unaffected by a health care cost trend rate. An increase or decrease in the trend rate would have no effect on the total OPEB liability.

CITY OF LANCASTER, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 13 - NOTES PAYABLE

The Ohio Revised Code provides that notes including renewal notes issued in anticipation of the issuance of general obligation bonds may be issued and outstanding from time to time up to a maximum period of 20 years from the date of issuance of the original notes. Bond anticipation notes may be retired at maturity from the proceeds of the sale of renewal notes or of the bonds anticipated by the notes, or from available funds of the City or a combination of these sources. The City is retiring its notes by the issuance of one year renewal notes with a portion of the principal being retired in accordance with the above provisions.

	Maturity Date	Balance January 1, 2023	Additions	(Reductions)	Balance December 31, 2023
Capital Projects Notes Payable:					
3.257% Street Improvement	12/31/2023	\$893,682	\$0	(\$893,682)	\$0
4.000% Street Improvement	12/31/2024	0	820,128	0	820,128
2.938% Island Capital	12/31/2023	277,202	0	(277,202)	0
4.000% Island Capital	12/31/2024	0	254,392	0	254,392
4.500% Columbian Construction	12/22/2023	720,000	0	(720,000)	0
5.600% Columbian Construction	12/15/2024	0	540,000	0	540,000
Total Capital Projects Notes Payable		<u>\$1,890,884</u>	<u>\$1,614,520</u>	<u>(\$1,890,884)</u>	<u>\$1,614,520</u>

CITY OF LANCASTER, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 14 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS

Long-term debt and other long-term obligations of the City at December 31, 2023 were as follows:

	Balance December 31, 2022	Additions	(Reductions)	Balance December 31, 2023	Due Within One Year
Business-Type Activities:					
Ohio Water Development Authority Loans (OWDA):*					
2003 2.00% Water Treatment Plant/Clearwells/Wellfield	\$79,918	\$0	(\$7,295)	\$72,623	\$7,441
2001 3.90% Water Treatment Plant/Clearwells/Wellfield	748,700	0	(748,700)	0	0
2009 3.27% Water Pollution Control Plant	18,245,748	0	(1,774,398)	16,471,350	1,832,894
2021 0.70% Water Pollution Lawrence Facility Upgrade	16,435,494	6,059,855	0	22,495,349	0
2018 0.00% Cherokee Drive Drainage Improvements	422,438	0	(40,030)	382,408	69,529
2020 0.00% Fifth Ave/Sixth Ave/Forest Rose Ave CSO	3,638,804	20,286	(210,656)	3,448,434	0
2022 0.86% Upper Hocking Water Pollution Control Facility	6,014,735	14,740,513	0	20,755,248	0
2022 2.52% North Water Treatment Plant Replacement	3,161,696	23,416,880	0	26,578,576	0
Total Ohio Water Development Authority Loans	<u>48,747,533</u>	<u>44,237,534</u>	<u>(2,781,079)</u>	<u>90,203,988</u>	<u>1,909,864</u>
Revenue Bonds Payable:					
2012 2-3.5% Refunding Water System Improvement Revenue Bond	3,065,000	0	(390,000)	2,675,000	400,000
Premium	137,081	0	(19,582)	117,499	0
2016 3-4% Refunding Wastewater System Improvement Revenue Bond	11,550,000	0	(855,000)	10,695,000	890,000
Premium	1,289,263	0	(117,205)	1,172,058	0
2019 5.00% Refunding Port Authority Gas Supply Revenue Bond	294,760,000	0	(1,355,000)	293,405,000	1,460,000
Premium	38,175,029	0	(1,440,567)	36,734,462	0
Total Revenue Bonds Payable	<u>348,976,373</u>	<u>0</u>	<u>(4,177,354)</u>	<u>344,799,019</u>	<u>2,750,000</u>
General Obligation Bonds Payable:					
2023 3.25% Sanitation System Improvements	0	3,100,000	0	3,100,000	267,000
Total General Obligation Bonds Payable	<u>0</u>	<u>3,100,000</u>	<u>0</u>	<u>3,100,000</u>	<u>267,000</u>
Long Term Notes:					
2022 0.70% Various Purpose Water	1,475,000	0	(1,475,000)	0	0
2023 4.70% Various Purpose Water	0	975,000	0	975,000	0
Total Long Term Notes	<u>1,475,000</u>	<u>975,000</u>	<u>(1,475,000)</u>	<u>975,000</u>	<u>0</u>
Installment Loans:*					
2022 4.11% Street Sweeper	219,450	0	(40,428)	179,022	42,090
Total Installment Loans	<u>219,450</u>	<u>0</u>	<u>(40,428)</u>	<u>179,022</u>	<u>42,090</u>
Ohio Public Works Commission Loan (OWPC):*					
2018 0.00% Cherokee Drive Drainage Improvements	242,357	0	(34,622)	207,735	34,622
Landfill Postclosure Care Liability	719,623	0	(46,228)	673,395	78,600
Compensated Absences	2,032,886	277,152	(215,975)	2,094,063	243,915
Total Business-Type Long-Term Debt	<u>\$402,413,222</u>	<u>\$48,589,686</u>	<u>(\$8,770,686)</u>	<u>\$442,232,222</u>	<u>\$5,326,091</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 14 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

	Balance December 31, 2022	Additions	(Reductions)	Balance December 31, 2023	Due Within One Year
Governmental Activities Long-Term Debt:					
2014 2-3%	\$555,000	\$0	(\$275,000)	\$280,000	\$280,000
Premium	3,823	0	(3,823)	0	0
2014 2-4%	6,445,000	0	(210,000)	6,235,000	215,000
Premium	89,008	0	(4,238)	84,770	0
2014 1-3.45%	230,000	0	(115,000)	115,000	115,000
Total General Obligation Bonds Payable	<u>7,322,831</u>	<u>0</u>	<u>(608,061)</u>	<u>6,714,770</u>	<u>610,000</u>
2010 3.25%	201,083	0	(20,898)	180,185	21,583
2019 0.00%	172,987	0	(26,728)	146,259	27,537
Installment Loans:*					
2013 3.30%	54,184	0	(54,184)	0	0
2019 3.85%	150,975	0	(74,033)	76,942	76,942
2019 3.85%	28,469	0	(13,960)	14,509	14,509
2019 2.20%	122,854	0	(122,854)	0	0
2021 2.49%	231,170	0	(55,668)	175,502	57,051
2022 2.49%	325,000	0	(58,617)	266,383	64,133
2022 2.49%	325,000	0	(58,564)	266,436	64,144
Total Installment Loans	<u>1,237,652</u>	<u>0</u>	<u>(437,880)</u>	<u>799,772</u>	<u>276,779</u>
Compensated Absences	4,628,278	872,022	(518,482)	4,981,818	673,117
Total Governmental Activities	<u>\$13,562,831</u>	<u>\$872,022</u>	<u>(\$1,612,049)</u>	<u>\$12,822,804</u>	<u>\$1,609,016</u>

* The OWDA, OPWC, SIB and Installment Loans are direct borrowings.

Internal service funds serve both governmental and business-type funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental and business-type funds. At year-end, \$79,838 and \$223,135 of internal service funds compensated absences are included in the respective above amounts.

A. Long Term Note Payable

Long term notes payable at December 31, 2023 consisted of Various Purpose Water Improvement Notes. The notes have a term of one year or less and were issued to finance water improvements. The City has been retiring a portion of the Various Purpose Improvement Notes as they mature and is issuing new notes for the remaining balance. The notes are dated February 3, 2023 and are due February 3, 2024, at an interest rate of 4.7%. Subsequent to year-end, the Various Purpose Improvement Notes, due February 3, 2024, were refinanced; therefore, these notes payable are recorded as long-term obligations.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 14 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

B. Gas Supply Revenue Bonds, Series 2019

In May, 2019, the Port Authority issued \$300,065,000 of gas supply revenue refunding bonds in a current refunding to redeem \$259,320,000 of gas supply revenue refunding bonds issued in July, 2014 as well as provide for the prepayment of the extension of the original prepaid gas agreement through the year 2049. The 2019 gas supply revenue refunding bonds carry an interest rate of 5.00% and are scheduled to mature on August 1, 2049, with the bonds maturing after February 1, 2025 being subject to a mandatory tender as of that date.

The principal and interest remaining to be paid on these bonds is \$512,566,750. Principal and interest paid for the current year and total customer net revenues were \$16,076,750 and \$2,729,126, respectively.

C. Water and Wastewater Revenue Bonds

The City has pledged future customer revenues, net of specified operating expenses, to repay Water Revenue Bonds, series 2012. The 2012 bonds were issued to partially refund 2004 bonds which were originally issued to pay the cost of constructing two 2 million gallon storage tanks and various water lines. The principal and interest remaining to be paid on these bonds is \$3,072,700. Principal and interest paid for the current year and total customer net revenues were \$513,813 and \$3,884,989, respectively.

The City has pledged future customer revenues, net of specified operating expenses, to repay Wastewater Revenue Bonds 2016. The 2016 bonds were issued to partially refund the 2008 bonds which were originally issued to pay the cost of constructing a new wastewater treatment plant. The principal and interest remaining to be paid on these bonds is \$13,185,600. Principal and interest paid for the current year and total customer net revenues were \$1,317,000 and \$7,823,162, respectively.

D. General Obligation Bond Issuance

In May 2023 the City issued \$3,100,000 of sanitation system improvement general obligation bonds. The bonds carry an interest rate of 3.25% and mature in 2033.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 14 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

E. Ohio Water Development Authority Loans

In 2001, the City entered into an agreement with the OWDA, as administrator for the U.S. Environmental Protection Agency (EPA), for the City to receive a loan of \$21,064,709. This loan is payable from water charges and the proceeds were used for the water treatment plant, clearwells and wellfield.

In 2003, the City entered into an agreement with the OWDA, as administrator for the U.S. Environmental Protection Agency (EPA), for the City to receive a loan of \$199,091. The proceeds were used for the water treatment plant.

In 2009, the City entered into an agreement with the OWDA, as administrator for the U.S. Environmental Protection Agency (EPA), for the City to receive a loan of \$34,396,999. The proceeds were used to build the Upper Hocking Wastewater Treatment Plant.

In 2010, the City entered into an agreement with the OWDA, as administrator for the U.S. Environmental Protection Agency (EPA), for the City to receive a loan of \$398,675. The proceeds were used to build a salt storage barn and wash bays.

In 2018, the City entered into an agreement with the OWDA, as administrator for the U.S. Environmental Protection Agency (EPA), for the City to receive a loan of \$779,572. The proceeds are being used for drainage improvements. The interest rate on the loans is 0%, per annum.

In 2020, the City entered into an agreement with the OWDA, as administrator for the U.S. Environmental Protection Agency (EPA), for the City to receive a loan of \$4,213,115. The proceeds are being used for a combined sewer overflow project. The amount is subject to change and has not been finalized. The interest rate on the loans is 0%, per annum. This loan is payable from storm water charges and is received by the City in increments as the project is completed. As of December 31, 2023, the City had received \$3,975,074, from OWDA. As of December 31, 2023, the loan has not been finalized and there is no amortization schedule for the loan.

In 2021, the City entered into an agreement with the OWDA, as administrator for the U.S. Environmental Protection Agency (EPA), for the City to receive a loan of \$22,379,560. The proceeds are being used for upgrades to the Lawrence Street Wastewater facility. The amount is subject to change and has not been finalized. The interest rate on the loans is 0.7%, per annum. This loan is payable from wastewater charges and is received by the City in increments as the project is completed. As of December 31, 2023, the City had received \$22,495,349, from OWDA. As of December 31, 2023, the loan has not been finalized and there is no amortization schedule for the loan.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 14 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

E. Ohio Water Development Authority Loans (Continued)

In 2022, the City entered into an agreement with the OWDA, as administrator for the U.S. Environmental Protection Agency (EPA), for the City to receive a loan of \$39,381,069. The proceeds are being used for upgrades to the Upper Hocking Water Pollution Control Facility. The amount is subject to change and has not been finalized. The interest rate on the loans is 0.86%, per annum. This loan is payable from wastewater charges and is received by the City in increments as the project is completed. As of December 31, 2023, the City had received \$20,755,248, from OWDA. As of December 31, 2023, the loan has not been finalized and there is no amortization schedule for the loan.

In 2022, the City entered into an agreement with the OWDA, as administrator for the U.S. Environmental Protection Agency (EPA), for the City to receive a loan of \$98,215,679. The proceeds are being used for replacement of the North Water Treatment Plant. The amount is subject to change and has not been finalized. The interest rate on the loans is 2.52%, per annum. This loan is payable from water charges and is received by the City in increments as the project is completed. As of December 31, 2023, the City had received \$26,578,576, from OWDA. As of December 31, 2023, the loan has not been finalized and there is no amortization schedule for the loan.

F. Installment Loans

In 2022 the City received an installment loan in the amount of \$219,450 for the purchase of a street sweeper. The loan carries an interest rate of 4.11% and matures in 2027. In 2022 the City also received two installment loans in the amount of \$325,000 each for the purchase of parks and street equipment. The loans carry an interest rate of 2.49% and mature in 2027.

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 14 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

G. Future Long-Term Financing Requirements

A summary of the City's future long-term debt funding requirements including principal and interest payments as of December 31, 2023 follows:

Governmental Activities:

Years	General Obligation Bond Payable		OWDA Loan	
	Principal	Interest	Principal	Interest
	2024	\$610,000	\$255,606	\$21,583
2025	220,000	236,787	22,290	4,592
2026	230,000	229,363	23,021	3,918
2027	235,000	221,600	23,775	3,222
2028	245,000	212,787	24,554	2,503
2029-2033	1,380,000	912,000	64,962	2,955
2034-2038	1,675,000	613,200	0	0
2039-2043	2,035,000	250,800	0	0
Totals	<u>\$6,630,000</u>	<u>\$2,932,143</u>	<u>\$180,185</u>	<u>\$22,435</u>

Years	State Infrastructure Bank Loan		Installment Loan	
	Principal	Interest	Principal	Interest
	2024	\$27,537	\$4,183	\$276,779
2025	28,368	3,351	190,016	11,847
2026	29,226	2,493	194,777	7,085
2027	59,347	1,610	138,200	2,585
2028	1,781	698	0	0
	<u>\$146,259</u>	<u>\$12,335</u>	<u>\$799,772</u>	<u>\$40,748</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 14 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

G. Future Long-Term Financing Requirements (Continued)

Business-Type Activities:

Years	OWDA Loans		Revenue Bonds Payable		General Obligation Bonds Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$1,909,864	\$481,921	\$2,750,000	\$15,192,675	\$267,000	\$100,750
2025	1,970,441	426,335	6,680,000	15,070,575	276,000	92,073
2026	2,033,011	368,918	10,785,000	14,647,700	285,000	83,103
2027	2,097,642	309,611	11,075,000	14,115,225	294,000	73,840
2028	2,164,402	248,350	11,420,000	13,568,525	304,000	64,285
2029-2033	6,751,021	357,108	58,695,000	59,334,600	1,674,000	149,858
2034-2038	0	0	55,680,000	45,223,500	0	0
2039-2043	0	0	49,790,000	30,494,625	0	0
2044-2048	0	0	84,570,000	13,826,125	0	0
2049-2051	0	0	15,330,000	576,500	0	0
Totals	\$16,926,381	\$2,192,243	\$306,775,000	\$222,050,050	\$3,100,000	\$563,909

Years	OPWC Loans		Installment Loans	
	Principal	Interest	Principal	Interest
2024	\$34,622	\$0	\$42,090	\$7,355
2025	34,622	0	43,819	5,626
2026	34,622	0	45,619	3,826
2027	34,622	0	47,494	1,951
2028	34,622	0	0	0
2029-2033	34,625	0	0	0
Totals	\$207,735	\$0	\$179,022	\$18,758

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 14 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

H. Defeased Debt

In June 2012, the City defeased \$5,915,000 of Water Revenue Bonds dated September, 2004 (the "2004 Bonds") through the issuance of \$5,795,000 of Water Revenue Bonds. The net proceeds of the 2012 Bonds have been invested in obligations guaranteed as to both principal and interest by the United States and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$2,885,000 at December 31, 2023, are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

In June 2012, the City defeased \$3,665,000 of Wastewater Revenue Bonds dated September, 2004 (the "2004 Bonds") through the issuance of \$3,680,000 of Wastewater Revenue Bonds. The net proceeds of the 2012 Bonds have been invested in obligations guaranteed as to both principal and interest by the United States and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$1,790,000 at December 31, 2023, are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

In June 2016, the City defeased \$15,885,000 of Wastewater Revenue Bonds dated September, 2008 (the "2008 Bonds") through the issuance of \$15,395,000 of Wastewater Revenue Bonds. The net proceeds of the 2016 Bonds have been invested in obligations guaranteed as to both principal and interest by the United States and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$11,200,000 at December 31, 2023, are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 15 - DERIVATIVE INSTRUMENTS

A. Composition of Derivative Instruments

The fair value balances and notional amounts of derivative instruments outstanding as of December 31, 2023, classified by type, are as follows:

	<u>Notional Amount</u>	<u>Fair Value</u>	<u>Counterparty Credit Rating</u>
Positive Cash Flow Hedge: Pay-variable, receive fixed commodity swap	52,680,723 mmbtu	\$ 177,310,155	A-

All fair values are classified as derivative instruments on the Statement of Net Position. The increase in fair values of these derivatives instruments was \$111,327,776 for 2023. As these commodity swaps are considered hedging derivatives instruments, the change in fair value is reflected within deferred inflows on the Statement of Net Position. The fair values of the commodity swaps are based on forward prices from established indexes for the applicable region and discounted using established interest rate indexes. The fair value of the derivatives is calculated based on current market rates (Level 2 inputs).

B. Objective and Terms of Hedging Derivative Instruments

The following table displays the objective and terms of the Port Authority hedging derivative instruments outstanding at December 31, 2023:

<u>Type</u>	<u>Objective</u>	<u>Maturity Date</u>	<u>Terms</u>
Pay-variable, receive fixed commodity swap	The Port Authority has entered into a fixed to floating commodity swap in connection with the natural gas prepay transaction. The purpose of the Commodity Swap is to correlate gas sales revenues the Port Authority receives based on floating natural gas indices to a fixed stream of payments necessary to make debt service payments on its Bonds.	2049	The commodity swap extends to the date of the final maturity of the related Natural Gas Supply Agreements. The commodity swap requires monthly payments based on a notional quantity of natural gas that corresponds to the volume of natural gas sold pursuant to the related Natural Gas Supply Agreements. Payments under the commodity swap are based on nationally published gas indices at the gas delivery points.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 15 - DERIVATIVE INSTRUMENTS (Continued)

C. Commodity Swap Risks

Termination Risk: The Commodity Swaps terminate in the event of a “triggering event” under the related Prepaid Natural Gas Sales Agreements, in the event of the Port Authority or counterparty nonperformance, and in connection with other specified events. Under the Commodity Swaps no payment, in the amount of the fair value or otherwise, is to be made by the Swap Counterparty in connection with an early termination of such swap. However, if the Commodity Swaps are terminated as a result of the Port Authority’s default or as a result of the termination of the Prepaid Natural Gas Sales Agreements, the Port Authority would be obligated to pay a termination payment to the Swap Counterparty based on the net present value of the remaining notional quantities of gas during the remaining term multiplied by a fixed amount.

Credit Risk: The Commodity Swaps are tied to related gas prepay transactions and terminate in the event such transactions terminate. Therefore, the only credit risk associated with the Commodity Swaps is for margins lost on future commodity deliveries associated with a termination of the related gas prepay transactions in the event of a counterparty’s inability to perform in accordance with the terms of the related Commodity Swaps. Generally, the only amounts due upon termination of the Commodity Swap would be previously accrued but unpaid amounts. If the Swap Counterparty is rated below "A1" by Moody’s Investors Service, Inc., the Swap Counterparty is permitted to post collateral or post an alternative security arrangement within twenty-five Local Business Days of such downgrade. The Swap Counterparty must provide the Port Authority adequate assurances of Swap Counterparty’s ability to continue performing under all Transactions, which adequate assurances must be satisfactory to the Port Authority.

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 16 - INSURANCE AND RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters.

Insurance for property holds a \$10,000 disappearing deductible, general liability holds a \$25,000 deductible. The City carries a \$25,000 deductible for both police and professional liability insurance. The City also has an umbrella policy with Selective Insurance Company for claims in excess of \$1,000,000. The City has a Cyber Liability Insurance through Travelers in the amount of \$1,000,000 with a \$25,000 deductible.

There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverages in any of the past three fiscal years.

The City pays unemployment claims to the State of Ohio as incurred.

The City pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

On July 1, 2020, the City became independently self-funded for health, dental, and prescription drug benefits. The City contracts with United Health Care for medical and prescription claims servicing and Delta Dental for dental claims servicing. The City has stop loss coverage through United Health Care for medical claims exceeding \$150,000 per covered member per year. The City has no stop loss coverage for dental claims. Premiums are paid into an internal service fund by all funds having compensated employees based on an analysis of historical claims experience, the desired fund balances and the number of active participating employees. The monies paid into the Health Insurance Management Fund (internal service fund) are available to pay claims.

The City offers a vision plan that is fully insured through VSP. Employees pay 100% of the premium cost for vision coverage.

The claims liability of \$328,819 reported at December 31, 2023 is based on an estimate provided by an actuary for medical and dental claims. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in claims activity for the past two years, including medical, surgical, prescription drug, and dental are as follows:

<u>Fiscal Year</u>	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>End of Year Liability</u>
2022	\$555,477	\$7,161,955	(\$7,416,870)	\$300,562
2023	\$300,562	\$8,235,077	(\$8,206,820)	\$328,819

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 17 - SIGNIFICANT COMMITMENTS

As of December 31, 2023, the City had the following commitments with respect to capital improvements:

Capital Project	Remaining Construction Commitment
Water Pollution - Lawrence Street Sanitation Transfer Station	\$817,316 2,145,971
Water Pollution - Lateral D PH2 Campground Road	23,793,085
Water Pollution - Upper Hocking	15,855,314
Water - South Water Plant	3,832,839
Water - North Water Plant	69,806,312
	\$116,250,837

The City utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the significant cash basis commitments for encumbrances were \$1,764,194 in the Gas Fund.

NOTE 18 - SOLID WASTE LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

In 1976, the City stopped accepting waste at the City of Lancaster Landfill. In 1988, the Ohio Environmental Protection Agency filed a complaint against the City. The recognition of a liability for closure and postclosure care costs is based on landfill capacity used to date. The City Landfill is at 100% capacity. The consent order was approved in December 1996 by all respective parties involved and filed in January of 1997. The consent order required the City to place a final cover on the landfill site as well as perform certain maintenance and monitoring functions at the site for thirty years after closure.

The City has accrued a liability for landfill closure and postclosure care costs in the Sanitation Fund of \$673,395. These costs are funded by a sanitation rate increase that became effective April 1, 1997. The rate will remain in effect for twenty-five years to cover annual postclosure care costs. The remaining five years of postclosure care costs will be funded by \$575,670 which has been placed in a restricted account. The estimated costs of postclosure care are subject to changes corresponding to the effects of inflation, revision of laws and other variables.

NOTE 19 - JOINTLY GOVERNED ORGANIZATIONS

A. Fairfield Metropolitan Housing Authority (the "Authority")

The Authority was created in 1980 and currently operates pursuant of Revised Code section 3735.27. A five-member board operates the Authority of which two are appointed by the City. The remaining three members are appointed by Fairfield County. The Authority adopts their own appropriations, is their own contracting authority, hires/fires personnel, authorizes all expenditures, and does not rely on the City or Fairfield County to finance its deficits. The Authority receives funding from the federal government in the form of grants. Grant funds are received directly by the Authority in the Authority's name. Although the City appoints members to the board, continued existence of the Board is not dependent upon the City's continued participation, no equity interest exists, and no debt is outstanding. Complete financial information can be obtained from the Fairfield Metropolitan Housing Authority, 315 North Columbus Street, Suite 200 Lancaster, Ohio.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 19 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

B. Lancaster-Fairfield County Community Action Agency (the “Agency”)

The Agency is a non-profit corporation organized to plan, conduct, and coordinate programs designed to combat social and economic problems and to help eliminate conditions of poverty within Fairfield County. A fifteen-member board governs the Agency. This board is made up of five representatives from the public sector, five representatives from the private sector, and five representatives from the low-income sector. The Fairfield County Recorder, the Fairfield County Commissioners, and the Fairfield County Sheriff appoint three representatives from the public sector. Continued existence of the Agency is not dependent upon the City’s continued participation, nor does the City have an equity interest in the Agency, and no debt is outstanding.

C. Fairfield Regional Planning Commission (the “Commission”)

The City participates in this Commission which is a statutorily created political subdivision of the State. The Commission is jointly governed by Fairfield County, municipalities, and townships. The City appoints one of the 48 members of the Commission’s board. Monies are contributed to the Commission based on the population of the City which serves as a membership fee. Continued existence of the Commission is not dependent on the City’s continued participation. There is no equity interest and no debt is outstanding.

D. Fairfield County Family, Adult and Children First (the “Council”)

The Council was created under Ohio Revised Code Section 121.37. Fairfield County has established a Council made up of the following members: the Director of the Fairfield County Community Mental Health Services Recovery Board; the Health Commissioner of the Fairfield County Health Department; the Director of Fairfield County Human Services; the Director of the Children’s Services Department; the Superintendent of Fairfield County MRDD; the Fairfield County Juvenile Court Judge; the Superintendent of Lancaster City Schools and Fairfield County Board of Education; the City of Lancaster; the Chair of the Fairfield County Commissioners; the State Department of Youth Services Regional Representative; a representative from the County Head Start Agencies; a representative of the County’s early intervention collaborative established pursuant to the federal early intervention program operated under the “Education of the Handicapped Act Amendments of 1986”; and at least three individuals representing the interests of families in the county. Where possible, the number of members representing families shall be equal to twenty percent of the Council’s remaining membership. The City participates in the Council. The Council’s revenues consist of operating grants along with pooled funding from other government sources. Continued existence of the Council is not dependent on the City’s continued participation, no equity interest exists, and no debt is outstanding.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 19 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

E. Fairfield County Multi-System Youth Committee (the “Committee”)

The Committee is a group of agencies that coordinates the provision of services to multi-need youth in the area. Members of the Committee include representatives of the Fairfield County Youth Services, the Fairfield County Board of MRDD, the Fairfield County Juvenile Court, the Fairfield County Board of Education, the Fairfield County ADAMHS Board, the Fairfield County Children Services, the Fairfield County Health Department, New Horizons, the local office of the Rehabilitation Services Commission, the Fairfield Drug and Alcohol Recovery Center, and the Lancaster City Board of Education. Operations are paid out of a balance of remaining state and federal grants. The Committee is not dependent upon the continued participation of the City, no equity interest exists, and no debt is outstanding.

F. Community Corrections Board (the “Board”)

The Board is created by Ohio Revised Code Section 5149.30 and other related sections. The Board is made up of fifteen members that are appointed in accordance with the by-laws of the Board. Three of the members are City officials and include the Law Director, the City Police Chief, and the Municipal Court Judge. The Board prepares and administers the Community Corrections Planning Grant. This Board was a joint effort of the City and Fairfield County. The County acts as fiscal agent for this Board since the original grant was in the County’s name. Continued existence of the Board is not dependent on the City’s continued participation. There is no equity interest and no debt is outstanding.

G. Fairfield, Hocking and Athens Counties Council of Governments on Major Crimes Investigations (the “Council”)

The Council is a regional council of governments, created in 2001 under Ohio Revised Code Section 167.01. Their purpose is to provide additional police protection to the citizens of Fairfield, Hocking, and Athens Counties to reduce the influence and effects of illegal drug trafficking activities and other major crimes. The Council has a seven member Governing Board which consists of one County Commissioner or designee from each county, and the Mayor, City Manager, or designee from each of the following cities: City of Lancaster, City of Pickerington, City of Logan and City of Athens. The Council also has a twelve member Operating Board which handles the daily operations and reports to the Governing Board. The Operating Board consists of the following: the Fairfield, Hocking, and Athens County Sheriffs and Prosecuting Attorneys, and the Chiefs of Police from the four cities listed above and the Chiefs of Police from the City of Nelsonville and of Ohio University. The Council’s revenues will consist of an annual grant applied for by the Fairfield County Commissioners that is given to the Council to maintain and local matches from the involved entities. Continued existence of the Board is not dependent upon the City’s continued participation, no equity interest exists, and no debt is outstanding.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 19 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

H. Mid-Ohio Regional Planning Commission (MORPC)

The City is a participant in the Mid-Ohio Regional Planning Commission (MORPC), a jointly governed organization. MORPC is composed of 74 representatives appointed by member governments who make up the Commission, the policy-making body of MORPC, and the oversight board. MORPC is a voluntary association of local governments in central and south central Ohio and a regional planning agency whose membership includes over 60 political subdivisions in and around Franklin, Ross, Fayette, Delaware, Knox, Marion, Morrow, Union, Pickaway, Madison, Licking, Hocking, Logan, Perry, and Fairfield counties, Ohio. The purpose of the organization is to improve the quality of life for member communities by improving housing conditions, to promote and support livability/sustainability measures as a means of addressing regional growth challenges, and to administer and facilitate the availability of regional environmental infrastructure program funding to the full advantage of MORPC's members.

NOTE 20 - CONTINGENCIES

The City is a party to various legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects. The City's management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

For the period January 1, 2023 to December 31, 2023, the City received federal and state grants for specific purposes that are subject to reviews and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

NOTE 21 – ASSET RETIREMENT OBLIGATION

Ohio Revised Code Section 6111.44 requires the City to submit any changes to their sewage treatment system to the Ohio EPA for approval. Through this permitting process, the City would be responsible to address any public safety issues associated with their sewage treatment facilities and the permit would specify the procedures required to dispose of all or part of the sewage treatment plant. At this time, the City has not applied for, nor does it have, an approved permit from Ohio EPA to dispose of all or part of its sewage treatment plant. Due to the lack of specific legal requirements for retiring the sewage treatment plant, the City has determined that the amount of the Asset Retirement Obligation (ARO) associated with this capital asset cannot be reasonably estimated at this time.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 22 - SIGNIFICANT ESTIMATES AND CONCENTRATIONS

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

A. Major Suppliers

The Port Authority purchased all of its natural gas supply from the Royal Bank of Canada. There are a limited number of national gas suppliers with which the Port Authority could contract under prepay gas transactions and any disruption of deliveries under the supply contracts could have an impact on the Port Authority's operations.

B. Current Economic Conditions

The Port Authority survived the past few years of economic decline with relatively minor implications of both industrial demand for natural gas and the overall economy and revenue. The City of Lancaster's growth of all economic sectors of residential, commercial, and industrial activities has resumed to pre-recession levels and is expected to grow its population at historic level of approximately one percent per year

The Port Authority continually monitors the demand for natural gas against the provisions of the pre-pay transaction to assess the long-term feasibility of continuing the program as it is currently structured. The Port Authority continues to make all financial decisions and commitments with available cash and will not borrow funds against this transaction. The Port Authority is exploring other types of projects as it moves forward to maintain its overall goal of improving the economic development within the City of Lancaster.

NOTE 23- SUBSEQUENT EVENTS

In February 2024, the City issued \$475,000 of 1 year renewal general obligation notes payable for water improvements. The notes carry an interest rate of 4.75%.



REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LANCASTER, OHIO**Schedule of City's Proportionate Share of the Net Pension Liability
Last Ten Years****Ohio Public Employees Retirement System**

Year	2014	2015	2016	2017
City's proportion of the net pension liability	0.107214%	0.107214%	0.106637%	0.102972%
City's proportionate share of the net pension liability	\$12,639,134	\$12,931,207	\$18,470,873	\$23,383,190
City's covered payroll	\$12,633,231	\$13,144,467	\$13,283,725	\$13,311,258
City's proportionate share of the net pension liability as a percentage of its covered payroll	100.05%	98.38%	139.05%	175.66%
Plan fiduciary net position as a percentage of the total pension liability	86.36%	86.45%	81.08%	77.25%

Source: City Auditor's Office and the Ohio Public Employees Retirement System

Ohio Police and Fire Pension Fund

Year	2014	2015	2016	2017
City's proportion of the net pension liability	0.464319%	0.464319%	0.465095%	0.449586%
City's proportionate share of the net pension liability	\$22,613,773	\$24,053,640	\$29,919,887	\$28,476,326
City's covered payroll	\$8,245,423	\$9,092,747	\$9,346,715	\$9,604,901
City's proportionate share of the net pension liability as a percentage of its covered payroll	274.26%	264.54%	320.11%	296.48%
Plan fiduciary net position as a percentage of the total pension liability	73.00%	71.71%	66.77%	68.36%

Source: City Auditor's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 68 in 2015.

The schedule is reported as of the measurement date of the Net Pension Liability.

See accompanying notes to the Required Supplementary Information

CITY OF LANCASTER, OHIO

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
0.105408%	0.106715%	0.106490%	0.111471%	0.111141%	0.109474%
\$16,536,473	\$29,227,075	\$21,048,471	\$16,578,243	\$9,724,438	\$32,585,323
\$13,922,223	\$14,414,043	\$14,982,743	\$15,775,121	\$16,221,293	\$17,106,121
118.78%	202.77%	140.48%	105.09%	59.95%	190.49%
84.66%	74.70%	82.17%	86.88%	92.62%	75.74%

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
0.456191%	0.457354%	0.446472%	0.432831%	0.433504%	0.434298%
\$27,998,502	\$37,332,171	\$30,076,732	\$29,506,498	\$27,082,829	\$41,254,091
\$9,816,433	\$10,225,157	\$10,572,263	\$10,530,103	\$10,932,624	\$11,659,953
285.22%	365.10%	284.49%	280.21%	247.72%	353.81%
70.91%	63.07%	69.89%	70.65%	75.03%	62.90%

CITY OF LANCASTER, OHIO

***Schedule of City Pension Contributions
Last Ten Years***

Ohio Public Employees Retirement System

Year	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contractually required contribution	\$1,577,336	\$1,594,047	\$1,597,351	\$1,809,889
Contributions in relation to the contractually required contribution	<u>1,577,336</u>	<u>1,594,047</u>	<u>1,597,351</u>	<u>1,809,889</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$13,144,467	\$13,283,725	\$13,311,258	\$13,922,223
Contributions as a percentage of covered payroll	12.00%	12.00%	12.00%	13.00%

Source: City Auditor's Office and the Ohio Public Employees Retirement System

Ohio Police and Fire Pension Fund

Year	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contractually required contribution	\$1,942,722	\$1,995,215	\$2,045,844	\$2,085,992
Contributions in relation to the contractually required contribution	<u>1,942,722</u>	<u>1,995,215</u>	<u>2,045,844</u>	<u>2,085,992</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$9,092,747	\$9,346,715	\$9,604,901	\$9,816,433
Contributions as a percentage of covered payroll	21.37%	21.35%	21.30%	21.25%

Source: City Auditor's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 68 in 2015.

See accompanying notes to the Required Supplementary Information

CITY OF LANCASTER, OHIO

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$2,017,966	\$2,097,584	\$2,208,517	\$2,270,981	\$2,394,857	\$2,759,257
<u>2,017,966</u>	<u>2,097,584</u>	<u>2,208,517</u>	<u>2,270,981</u>	<u>2,394,857</u>	<u>2,759,257</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$14,414,043	\$14,982,743	\$15,775,121	\$16,221,293	\$17,106,121	\$19,708,979
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$2,178,981	\$2,256,121	\$2,248,177	\$2,340,240	\$2,498,331	\$2,882,004
<u>2,178,981</u>	<u>2,256,121</u>	<u>2,248,177</u>	<u>2,340,240</u>	<u>2,498,331</u>	<u>2,882,004</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$10,225,157	\$10,572,263	\$10,530,103	\$10,932,624	\$11,659,953	\$13,384,625
21.31%	21.34%	21.35%	21.41%	21.43%	21.53%

CITY OF LANCASTER, OHIO

Schedule of City's Proportionate Share of the Net Other Postemployment Benefits (OPEB) Liability (Asset) Last Seven Years

Ohio Public Employees Retirement System

Year	<u>2017</u>	<u>2018</u>	<u>2019</u>
City's proportion of the net OPEB liability (asset)	0.102590%	0.104580%	0.105930%
City's proportionate share of the net OPEB liability (asset)	\$10,361,938	\$11,356,618	\$13,810,771
City's covered payroll	\$13,311,258	\$13,922,223	\$14,414,043
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	77.84%	81.57%	95.81%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	54.50%	54.14%	46.33%

Source: City Auditor's Office and the Ohio Public Employees Retirement System

Ohio Police and Fire Pension Fund

Year	<u>2017</u>	<u>2018</u>	<u>2019</u>
City's proportion of the net OPEB liability	0.449586%	0.456191%	0.457354%
City's proportionate share of the net OPEB liability	\$21,340,836	\$25,847,143	\$4,164,910
City's covered payroll	\$9,604,901	\$9,816,433	\$10,225,157
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	222.19%	263.30%	40.73%
Plan fiduciary net position as a percentage of the total OPEB liability	15.96%	14.13%	46.57%

Source: City Auditor's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 75 in 2018.

Information prior to 2017 is not available.

The schedule is reported as of the measurement date of the Net OPEB Liability.

See accompanying notes to the Required Supplementary Information

CITY OF LANCASTER, OHIO

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
0.105793%	0.110626%	0.110471%	0.108613%
\$14,612,762	(\$1,978,928)	(\$3,478,447)	\$689,728
\$14,982,743	\$15,775,121	\$16,221,293	\$17,106,121
97.53%	(12.54%)	(21.44%)	4.03%
47.80%	115.57%	128.23%	94.79%

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
0.446472%	0.432831%	0.433504%	0.434298%
\$4,410,129	\$4,585,919	\$4,751,578	\$3,092,075
\$10,572,263	\$10,530,103	\$10,932,624	\$11,659,953
41.71%	43.55%	43.46%	26.52%
47.08%	45.42%	46.86%	52.59%

CITY OF LANCASTER, OHIO**Schedule of City's Other Postemployment Benefit (OPEB) Contributions
Last Ten Years****Ohio Public Employees Retirement System**

Year	2014	2015	2016	2017
Contractually required contribution	\$262,889	\$265,675	\$266,225	\$139,222
Contributions in relation to the contractually required contribution	262,889	265,675	266,225	139,222
Contribution deficiency (excess)	\$0	\$0	\$0	\$0
City's covered payroll	\$13,144,467	\$13,283,725	\$13,311,258	\$13,922,223
Contributions as a percentage of covered payroll	2.00%	2.00%	2.00%	1.00%

Source: City Auditor's Office and the Ohio Public Employees Retirement System

Ohio Police and Fire Pension Fund

Year	2014	2015	2016	2017
Contractually required contribution	\$45,464	\$46,734	\$48,025	\$49,080
Contributions in relation to the contractually required contribution	45,464	46,734	48,025	49,080
Contribution deficiency (excess)	\$0	\$0	\$0	\$0
City's covered payroll	\$9,092,747	\$9,346,715	\$9,604,901	\$9,816,433
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%

Source: City Auditor's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 75 in 2018.

See accompanying notes to the Required Supplementary Information

CITY OF LANCASTER, OHIO

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$0	\$0	\$0	\$0	\$0	\$0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$14,414,043	\$14,982,743	\$15,775,121	\$16,221,293	\$17,106,121	\$19,708,979
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$51,119	\$52,864	\$52,648	\$54,662	\$58,299	\$66,924
<u>51,119</u>	<u>52,864</u>	<u>52,648</u>	<u>54,662</u>	<u>58,299</u>	<u>66,924</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$10,225,157	\$10,572,263	\$10,530,103	\$10,932,624	\$11,659,953	\$13,384,625
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2023***

NET PENSION LIABILITY

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2023.

Changes in assumptions:

2014-2016: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2017: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 8.00% to 7.50%
- Decrease in wage inflation from 3.75% to 3.25%
- Change in future salary increases from a range of 4.25%-10.02% to 3.25%-10.75%
- Amounts reported beginning in 2017 use mortality rates based on the RP-2014 Healthy Annuitant mortality table.

2018: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2019: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 7.50% to 7.20%

2020: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Change in COLA from 3.00% to 1.4% for post 1/7/13 retirees.

2021: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Change in COLA from 1.4% to 0.5% for post 1/7/13 retirees.

2022: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Change in COLA from 0.5% to 3.00% for post 1/7/13 retirees.
- Reduction in actuarial assumed rate of return from 7.20% to 6.90%.
- Pre-retirement mortality rates are based on Pub-2010 General Employee/Safety Employee mortality tables.
- Post-retirement mortality rates are based on PubG-2010 Retiree mortality tables.
- Post-retirement mortality rates for disabled retirees are based on PubNS-2010 Disabled Retiree mortality tables for all divisions.

2023: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2023***

NET PENSION LIABILITY (Continued)

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2023.

Changes in assumptions:

2014-2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2018: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 8.25% to 8.00%
- Decrease salary increases from 3.75% to 3.25%
- Change in payroll growth from 3.75% to 3.25%
- Reduce DROP interest rate from 4.5% to 4.0%
- Reduce CPI-based COLA from 2.6% to 2.2%
- Inflation component reduced from 3.25% to 2.75%
- For the January 1, 2017, valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006
- For the January 1, 2017, valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006

2019-2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2022: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 8.00% to 7.50%

2023: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Mortality for non-disabled participants is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table
- Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table
- Mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table
- Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2023***

NET OPEB LIABILITY (ASSET)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the periods 2018-2021, and 2023.

2022: Group plans for non-Medicare retirees and re-employed retirees replaced with individual medical plans. OPERS will provide a subsidy or allowance via an HRA.

Changes in assumptions:

For 2018, the single discount rate changed from 4.23% to 3.85%.

2019: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.85% to 3.96%.
- Reduction in actuarial assumed rate of return from 6.50% to 6.00%
- Change in health care cost trend rate from 7.5% to 10%
- The Municipal Bond Rate changed from 3.31% to 3.71%

2020: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.96% to 3.16%.
- Change in health care cost trend rate from 10.0% to 10.5%
- The Municipal Bond Rate changed from 3.71% to 2.75%

2021: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.16% to 6.00%.
- Change in health care cost trend rate from 10.5% to 8.5%
- The Municipal Bond Rate changed from 2.75% to 2.00%

2022: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- Change in health care cost trend rate from 8.5% to 5.5%
- The Municipal Bond Rate changed from 2.00% to 1.84%
- Pre-retirement mortality rates are based on Pub-2010 General Employee/Safety Employee mortality tables.
- Post-retirement mortality rates are based on PubG-2010 Retiree mortality tables.
- Post-retirement mortality rates for disabled retirees are based on PubNS-2010 Disabled Retiree mortality tables for all divisions.

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2023***

NET OPEB LIABILITY (ASSET) (Continued)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) (Continued)

2023: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The Municipal Bond Rate changed from 1.84% to 4.05%
- The single discount rate changed from 6.00% to 5.22%.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms:

2018: There were no changes in benefit terms.

2019: The retiree health care model and the current self-insured health care plan were replaced with a stipend-based health care model.

2020 - 2023: There were no changes in benefit terms.

Changes in assumptions:

2018: The single discount rate changed from 3.79% to 3.24%.

2019: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.24% to 4.66%.

2020: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 4.66% to 3.56%.

2021: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.56% to 2.96%.
- The payroll growth rate changed from 2.75% to 3.25%.

2022: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 2.96% to 2.84%.
- The investment rate of return changed from 8.0% to 7.5%.

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2023***

NET OPEB LIABILITY (ASSET) (Continued)

OHIO POLICE AND FIRE (OP&F) PENSION FUND (Continued)

2023: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 2.84% to 4.27%.
- Mortality for non-disabled participants is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table
- Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table
- Mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table
- Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table

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*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

*THE FOLLOWING COMBINING STATEMENTS AND SCHEDULES INCLUDE
THE MAJOR AND NONMAJOR GOVERNMENTAL FUNDS, INTERNAL
SERVICE FUNDS AND FIDUCIARY FUNDS.*

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than amounts relating to expendable trusts or major capital projects) that are legally restricted or committed to expenditures for specified purposes.

Cemetery Fund

To account for the operation and maintenance of the public cemetery.

Street Construction, Maintenance and Repair Fund

To account for state levied and controlled gasoline tax and motor vehicle registration fees restricted for street maintenance and repair.

Street Levy Fund

To account for 3 mill voted levy designated for road improvements.

Parks and Recreation Fund

To account for the operation and maintenance of public recreational facilities.

Special Improvement District Fund

To account for fees assessed to all downtown business owners for the up-keep of the grounds surrounding their properties. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Lancaster Public Transit Program Fund

To account for monies from the Rural Transit and Grant Program and the Ohio Elderly and Disabled Transit Fare Assistance Program.

911 Tariff Fund

To account for monies to enhance 911 wireless services.

Edward Byrne Grant Fund

To account for grant monies received from the United States Department of Justice for the purpose of funding special enforcement initiatives in areas which have been identified as high crime risk.

Law Director Victim Assistance Fund

To account for grant funds received to provide assistance to victims of domestic violence.

Lancaster Community Development Fund

To account for grant monies received to provide for redevelopment projects in the City.

Law Enforcement Block Grant Fund

To account for Federal grants administered through the State designated for law enforcement. (The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are not presented because there are no assets or liabilities and there was no activity during the year.)

(Continued)

Special Revenue Funds (Continued)

Police and Fire Pension Fund

To accumulate property taxes for the partial payment of the current and accrued liability for police and fire disability and pension benefits.

Fairfield County Court Surveillance Fund

To account for grant money from the Ohio Department of Rehabilitation and Corrections directed toward jail diversion of non-violent misdemeanants. Monies cover operating costs, equipment and salary. Jail population reduction is the overall goal of the program.

Indigent Drivers Alcohol Treatment Fund

To account for monies received from OMVI fines and costs collected to pay for alcohol treatment for repeat offenders of the OMVI laws.

Law Enforcement and Education Fund

To account for monies received from OMVI fines from convictions to be used to pay for security of persons and property.

Municipal Court Judicial Computer Fund

To account for monies received from the Municipal Court to be used for computer systems for the Municipal Judges.

Municipal Court Probation Fund

To account for fees assessed to criminal and traffic offenders who are placed by the Municipal Court on probation or other control sanctions to cover the cost of Probation department services and related expenditures.

Municipal Court Computerization Fund

To account for monies received from the Municipal Court to be used for a computer system.

Municipal Court Special Projects Fund

To account for an extra three dollar fee charged by the municipal court on all cases to be used for projects within the municipal court.

Municipal Court Family Violence Fund

To account for fees for family drug abuse and domestic violence programs.

Municipal Drug Court Fund

To account for grant monies to be used for a jail-alternative program, also known as The Fresh Start Program, which targets individuals with significant drug addictions and provides an intensive treatment program with a great deal of accountability.

Ohio Peace Officers Training Fund

To account for monies to be used for continuing professional training programs for law enforcement officers.

(Continued)

Special Revenue Funds (Continued)

Fire Insurance Escrow Fund

To account for monies received from an insurance company's claim to be used for the City's cost of repairing, removing or securing a property damaged by fire. (This fund is not part of the City's appropriated budget, therefore no budgetary schedule is presented.)

DARE Officer Retention Grant Fund

To account for grant monies to be used for the salaries of certified DARE officers training in the local schools.

Safe Routes to School Fund

To account for grant monies to develop programs to enable children to walk or bike to school safely.

.15 Fire Levy Fund

To accumulate .15% voted income taxes restricted for operations of the Fire Department.

DOJ Equitable Sharing Grant Fund

To account for grant monies to be used for purchasing law enforcement equipment.

One Ohio Opioid Settlement Fund

To account for funds received from opioid settlements from drug manufacturers and distributors. The monies are designated for resources to assist with community drug recovery, prevention and treatment.

Local Fiscal Recovery Fund

This fund is used to account for Coronavirus State and Local Fiscal Recovery funds received as part of the American Rescue Plan Act. The funds are to be used to support the response and recovery from the COVID-19 public health emergency

Community Development Block Grant (CDBG) Fund

To account for monies received from the federal government under the Community Development Block Grant Program and The Community Housing Improvement Program.

State Highway Fund

To account for that portion of the state gasoline tax and motor vehicle registration fees restricted for street maintenance and repair of state highways within the City.

Drug Enforcement Fund

To account for monies received from fines to be used for drug enforcement activities. (This fund is not part of the City's appropriated budget; therefore no budgetary schedule is presented.)

Cemetery Interment Fund

Established to hold cemetery interment costs that have been received in advance.

Cemetery Perpetual Care Fund

Established to hold perpetual care monies received for the maintenance of the cemetery grounds.

(Continued)

Debt Service Funds

The Debt Service Funds are used to account for retirement of the City's general obligation and special assessment bonds.

General Bond Retirement Fund

To account for the accumulation of resources for the payment of general obligation debt of the City including self-supporting obligations not otherwise paid from proprietary funds.

Special Assessment Debt Retirement Fund

To accumulate special assessment revenues collected by the County Treasurer and remitted to the City by the County Auditor for payment of assessment debt. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Capital Projects Fund

The Capital Projects Fund is used to account for the financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds.

LDOT (Lancaster Department of Transportation) Improvement Fund

To account for financial resources other than the 3 mill voted levy for road and bridge improvement.

Parks Improvement Fund

To account for Capital improvement and maintenance of City parks and recreation.

Capital Improvement Fund

To account for financial resources to be used for the acquisition or construction of major facilities.

Timbertop TIF Fund

To account for financial resources to be used for development projects of the Timbertop property. (The Statement of Revenues, Expenditures and Changes in Fund Balances is not presented because there was no activity during the year. This fund is not part of the City's appropriated budget; therefore no budgetary schedule is presented.)

Fire Impact - District One Fund

To account for new construction impact fees used for capital projects for the Fire Department.

Ety Road TIF Project Fund

To account for financial resources to be used for Ety Road infrastructure improvements.

Columbian Construction Fund

To account for financial resources to be used for the construction of the Fairfield County Municipal Court.

CITY OF LANCASTER, OHIO

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2023**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Pooled Cash and Investments	\$ 11,646,134	\$ 166	\$ 3,416,553	\$ 15,062,853
Investments	1,057,720	0	0	1,057,720
Receivables				
Taxes	4,099,207	0	431,679	4,530,886
Accounts	61,926	0	0	61,926
Intergovernmental	3,487,831	0	0	3,487,831
Interest	5,916	0	0	5,916
Loans	1,283,448	0	0	1,283,448
Leases	0	0	54,847	54,847
Due from Other Funds	891,304	0	130,434	1,021,738
Inventory of Supplies	340,569	0	0	340,569
Prepaid Items	20,263	0	0	20,263
Total Assets	\$ 22,894,318	\$ 166	\$ 4,033,513	\$ 26,927,997
Liabilities:				
Accounts Payable	\$ 546,585	\$ 0	\$ 2,970	\$ 549,555
Accrued Wages and Benefits Payable	382,241	0	0	382,241
Due to Others	89,105	0	0	89,105
Unearned Revenue	652,303	0	0	652,303
Accrued Interest Payable	0	0	1,243	1,243
General Obligation Notes Payable	0	0	1,614,520	1,614,520
Advances from Other Funds	0	0	113,000	113,000
Total Liabilities	1,670,234	0	1,731,733	3,401,967
Deferred Inflows of Resources:				
Property Taxes	2,673,000	0	330,426	3,003,426
Leases	0	0	54,847	54,847
Unavailable Revenue	3,279,476	0	58,908	3,338,384
Total Deferred Inflows of Resources	5,952,476	0	444,181	6,396,657
Fund Balances:				
Nonspendable	360,832	0	0	360,832
Restricted	11,600,819	166	319,658	11,920,643
Committed	3,309,957	0	2,978,355	6,288,312
Assigned	0	0	275,000	275,000
Unassigned	0	0	(1,715,414)	(1,715,414)
Total Fund Balances	15,271,608	166	1,857,599	17,129,373
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 22,894,318	\$ 166	\$ 4,033,513	\$ 26,927,997

CITY OF LANCASTER, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2023**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 9,190,119	\$ 0	\$ 1,045,659	\$ 10,235,778
Intergovernmental Revenues	7,278,216	0	626,889	7,905,105
Charges for Services	2,140,938	0	89,173	2,230,111
Licenses, Permits and Fees	19,797	0	0	19,797
Investment Earnings	74,594	165	1	74,760
Special Assessments	84,641	0	0	84,641
Fines and Forfeitures	1,397,968	0	0	1,397,968
All Other Revenue	904,413	0	130	904,543
Total Revenue	21,090,686	165	1,761,852	22,852,703
Expenditures:				
Current:				
Security of Persons and Property	2,766,599	0	0	2,766,599
Public Health and Welfare Services	716,139	0	0	716,139
Leisure Time Activities	3,274,364	0	0	3,274,364
Community Environment	951,438	0	0	951,438
Transportation	8,373,802	1,025	0	8,374,827
General Government	2,426,589	0	8,197	2,434,786
Capital Outlay	0	0	1,332,874	1,332,874
Debt Service:				
Principal Retirement	271,063	600,000	177,037	1,048,100
Interest and Fiscal Charges	42,525	273,516	80,587	396,628
Total Expenditures	18,822,519	874,541	1,598,695	21,295,755
Excess (Deficiency) of Revenues Over Expenditures	2,268,167	(874,376)	163,157	1,556,948
Other Financing Sources (Uses):				
Transfers In	1,445,628	872,576	437,400	2,755,604
Transfers Out	(941,938)	0	0	(941,938)
Total Other Financing Sources (Uses)	503,690	872,576	437,400	1,813,666
Net Change in Fund Balances	2,771,857	(1,800)	600,557	3,370,614
Fund Balances at Beginning of Year	12,607,811	1,966	1,257,042	13,866,819
Decrease in Inventory Reserve	(108,060)	0	0	(108,060)
Fund Balances End of Year	\$ 15,271,608	\$ 166	\$ 1,857,599	\$ 17,129,373

CITY OF LANCASTER, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2023**

	Cemetery Fund	Street Construction, Maintenance and Repair Fund	Street Levy Fund	Parks and Recreation Fund
Assets:				
Pooled Cash and Investments	\$ 503,206	\$ 1,381,243	\$ 743,424	\$ 2,610,047
Investments	0	0	0	0
Receivables				
Taxes	33,751	0	2,095,668	843,784
Accounts	1,985	7,786	447	6,517
Intergovernmental	0	1,388,724	108,801	0
Interest	1,702	0	0	0
Loans	0	0	0	0
Due from Other Funds	21,739	0	0	543,478
Inventory of Supplies	0	319,642	0	8,051
Prepaid Items	1,187	9,724	0	9,352
Total Assets	\$ 563,570	\$ 3,107,119	\$ 2,948,340	\$ 4,021,229
Liabilities:				
Accounts Payable	\$ 900	\$ 212,934	\$ 226,251	\$ 42,354
Accrued Wages and Benefits Payable	15,556	94,353	0	71,501
Due to Others	0	0	0	89,105
Unearned Revenue	0	0	0	0
Total Liabilities	16,456	307,287	226,251	202,960
Deferred Inflows of Resources:				
Property Taxes	0	0	2,062,000	0
Unavailable Revenue	19,636	925,816	142,469	490,909
Total Deferred Inflows of Resources	19,636	925,816	2,204,469	490,909
Fund Balances:				
Nonspendable	1,187	329,366	0	17,403
Restricted	526,291	1,544,650	517,620	0
Committed	0	0	0	3,309,957
Total Fund Balances	527,478	1,874,016	517,620	3,327,360
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 563,570	\$ 3,107,119	\$ 2,948,340	\$ 4,021,229

CITY OF LANCASTER, OHIO

Lancaster Public Transit Program Fund	911 Tariff Fund	Edward Byrne Grant Fund	Law Director Victim Assistance Fund	Lancaster Community Development Fund	Police and Fire Pension Fund
\$ 373,064	\$ 186,504	\$ 428	\$ 55,405	\$ 90,351	\$ 132,115
0	0	0	0	0	0
0	0	0	0	0	619,734
29,552	0	0	0	348	0
288,029	0	0	0	69,575	28,687
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
12,876	0	0	0	0	0
0	0	0	0	0	0
<u>\$ 703,521</u>	<u>\$ 186,504</u>	<u>\$ 428</u>	<u>\$ 55,405</u>	<u>\$ 160,274</u>	<u>\$ 780,536</u>
\$ 7,870	\$ 18,745	\$ 0	\$ 0	\$ 3,690	\$ 0
74,412	0	0	4,999	17,668	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>82,282</u>	<u>18,745</u>	<u>0</u>	<u>4,999</u>	<u>21,358</u>	<u>0</u>
0	0	0	0	0	611,000
0	0	0	0	0	37,421
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>648,421</u>
12,876	0	0	0	0	0
608,363	167,759	428	50,406	138,916	132,115
0	0	0	0	0	0
<u>621,239</u>	<u>167,759</u>	<u>428</u>	<u>50,406</u>	<u>138,916</u>	<u>132,115</u>
<u>\$ 703,521</u>	<u>\$ 186,504</u>	<u>\$ 428</u>	<u>\$ 55,405</u>	<u>\$ 160,274</u>	<u>\$ 780,536</u>

(Continued)

CITY OF LANCASTER, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2023**

	Fairfield County Court Surveillance Fund	Indigent Drivers Alcohol Treatment Fund	Law Enforcement and Education Fund	Municipal Court Judicial Computer Fund
Assets:				
Pooled Cash and Investments	\$ 28,164	\$ 178,872	\$ 101,436	\$ 53,452
Investments	0	0	0	0
Receivables				
Taxes	0	0	0	0
Accounts	0	0	0	0
Intergovernmental	0	0	0	0
Interest	0	0	0	0
Loans	0	0	0	0
Due from Other Funds	0	0	0	0
Inventory of Supplies	0	0	0	0
Prepaid Items	0	0	0	0
Total Assets	\$ 28,164	\$ 178,872	\$ 101,436	\$ 53,452
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	0	0	0
Due to Others	0	0	0	0
Unearned Revenue	0	0	0	0
Total Liabilities	0	0	0	0
Deferred Inflows of Resources:				
Property Taxes	0	0	0	0
Unavailable Revenue	0	0	0	0
Total Deferred Inflows of Resources	0	0	0	0
Fund Balances:				
Nonspendable	0	0	0	0
Restricted	28,164	178,872	101,436	53,452
Committed	0	0	0	0
Total Fund Balances	28,164	178,872	101,436	53,452
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 28,164	\$ 178,872	\$ 101,436	\$ 53,452

CITY OF LANCASTER, OHIO

Municipal Court Probation Fund	Municipal Court Computerization Fund	Municipal Court Special Projects Fund	Municipal Court Family Violence Fund	Municipal Drug Court Fund	Ohio Peace Officers Training Fund
\$ 1,112,896	\$ 194,097	\$ 450,396	\$ 21,345	\$ 171,614	\$ 40,833
0	0	0	0	0	0
0	0	0	0	0	0
680	275	0	0	13,393	0
178,217	0	0	0	41,935	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$ 1,291,793</u>	<u>\$ 194,372</u>	<u>\$ 450,396</u>	<u>\$ 21,345</u>	<u>\$ 226,942</u>	<u>\$ 40,833</u>
\$ 0	\$ 0	\$ 16,013	\$ 0	\$ 17,828	\$ 0
28,298	4,475	0	0	8,737	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>28,298</u>	<u>4,475</u>	<u>16,013</u>	<u>0</u>	<u>26,565</u>	<u>0</u>
0	0	0	0	0	0
143,202	0	0	0	0	0
<u>143,202</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	0	0	0	0
1,120,293	189,897	434,383	21,345	200,377	40,833
0	0	0	0	0	0
<u>1,120,293</u>	<u>189,897</u>	<u>434,383</u>	<u>21,345</u>	<u>200,377</u>	<u>40,833</u>
<u>\$ 1,291,793</u>	<u>\$ 194,372</u>	<u>\$ 450,396</u>	<u>\$ 21,345</u>	<u>\$ 226,942</u>	<u>\$ 40,833</u>

(Continued)

CITY OF LANCASTER, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2023**

	Fire Insurance Escrow Fund	DARE Officer Retention Grant Fund	Safe Routes to School Fund	.15 Fire Levy Fund
Assets:				
Pooled Cash and Investments	\$ 56,907	\$ 89,238	\$ 2,780	\$ 1,546,417
Investments	0	0	0	0
Receivables				
Taxes	0	0	0	506,270
Accounts	0	0	0	943
Intergovernmental	0	0	0	0
Interest	0	0	0	0
Loans	0	0	0	0
Due from Other Funds	0	0	0	326,087
Inventory of Supplies	0	0	0	0
Prepaid Items	0	0	0	0
Total Assets	\$ 56,907	\$ 89,238	\$ 2,780	\$ 2,379,717
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	0	0	62,242
Due to Others	0	0	0	0
Unearned Revenue	0	0	0	0
Total Liabilities	0	0	0	62,242
Deferred Inflows of Resources:				
Property Taxes	0	0	0	0
Unavailable Revenue	0	0	0	294,545
Total Deferred Inflows of Resources	0	0	0	294,545
Fund Balances:				
Nonspendable	0	0	0	0
Restricted	56,907	89,238	2,780	2,022,930
Committed	0	0	0	0
Total Fund Balances	56,907	89,238	2,780	2,022,930
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 56,907	\$ 89,238	\$ 2,780	\$ 2,379,717

CITY OF LANCASTER, OHIO

DOJ Equitable Sharing Grant Fund	One Ohio Opioid Settlement Fund	Local Fiscal Recovery Fund	CDBG Fund	State Highway Fund	Drug Enforcement Fund
\$ 241,233	\$ 74,200	\$ 652,303	\$ 257,948	\$ 47,305	\$ 53,580
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	1,306,277	77,586	0
0	0	0	0	4,214	0
0	0	0	1,283,448	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$ 241,233</u>	<u>\$ 74,200</u>	<u>\$ 652,303</u>	<u>\$ 2,847,673</u>	<u>\$ 129,105</u>	<u>\$ 53,580</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	652,303	0	0	0
<u>0</u>	<u>0</u>	<u>652,303</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	0	0	0	0
0	0	0	1,173,754	51,724	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>1,173,754</u>	<u>51,724</u>	<u>0</u>
0	0	0	0	0	0
241,233	74,200	0	1,673,919	77,381	53,580
0	0	0	0	0	0
<u>241,233</u>	<u>74,200</u>	<u>0</u>	<u>1,673,919</u>	<u>77,381</u>	<u>53,580</u>
<u>\$ 241,233</u>	<u>\$ 74,200</u>	<u>\$ 652,303</u>	<u>\$ 2,847,673</u>	<u>\$ 129,105</u>	<u>\$ 53,580</u>

(Continued)

CITY OF LANCASTER, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2023**

	Cemetery Interment Fund	Cemetery Perpetual Care Fund	Total Nonmajor Special Revenue Funds
Assets:			
Pooled Cash and Investments	\$ 18,650	\$ 176,681	\$ 11,646,134
Investments	260,810	796,910	1,057,720
Receivables			
Taxes	0	0	4,099,207
Accounts	0	0	61,926
Intergovernmental	0	0	3,487,831
Interest	0	0	5,916
Loans	0	0	1,283,448
Due from Other Funds	0	0	891,304
Inventory of Supplies	0	0	340,569
Prepaid Items	0	0	20,263
Total Assets	\$ 279,460	\$ 973,591	\$ 22,894,318
Liabilities:			
Accounts Payable	\$ 0	\$ 0	\$ 546,585
Accrued Wages and Benefits Payable	0	0	382,241
Due to Others	0	0	89,105
Unearned Revenue	0	0	652,303
Total Liabilities	0	0	1,670,234
Deferred Inflows of Resources:			
Property Taxes	0	0	2,673,000
Unavailable Revenue	0	0	3,279,476
Total Deferred Inflows of Resources	0	0	5,952,476
Fund Balances:			
Nonspendable	0	0	360,832
Restricted	279,460	973,591	11,600,819
Committed	0	0	3,309,957
Total Fund Balances	279,460	973,591	15,271,608
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 279,460	\$ 973,591	\$ 22,894,318

CITY OF LANCASTER, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023**

	Cemetery Fund	Street Construction, Maintenance and Repair Fund	Street Levy Fund	Parks and Recreation Fund
Revenues:				
Taxes	\$ 147,577	\$ 0	\$ 2,174,908	\$ 4,077,705
Intergovernmental Revenues	0	2,937,843	210,897	40,000
Charges for Services	230,079	827,301	0	527,525
Licenses, Permits and Fees	0	0	0	19,797
Investment Earnings	11,515	0	0	0
Special Assessments	0	0	0	0
Fines and Forfeitures	0	0	0	0
All Other Revenue	38,657	72,425	447	46,628
Total Revenue	427,828	3,837,569	2,386,252	4,711,655
Expenditures:				
Current:				
Security of Persons and Property	0	0	0	0
Public Health and Welfare Services	691,900	0	0	0
Leisure Time Activities	0	0	0	3,274,364
Community Environment	0	0	0	0
Transportation	0	3,798,124	2,079,205	0
General Government	0	0	0	0
Debt Service:				
Principal Retirement	13,960	180,224	0	58,617
Interest and Fiscal Charges	977	27,875	0	11,779
Total Expenditures	706,837	4,006,223	2,079,205	3,344,760
Excess (Deficiency) of Revenues Over Expenditures	(279,009)	(168,654)	307,047	1,366,895
Other Financing Sources (Uses):				
Transfers In	295,000	420,000	0	78,000
Transfers Out	0	(100,000)	0	0
Total Other Financing Sources (Uses)	295,000	320,000	0	78,000
Net Change in Fund Balances	15,991	151,346	307,047	1,444,895
Fund Balances (Deficit) at Beginning of Year	511,487	1,828,659	210,573	1,883,090
Decrease in Inventory Reserve	0	(105,989)	0	(625)
Fund Balances End of Year	\$ 527,478	\$ 1,874,016	\$ 517,620	\$ 3,327,360

(Continued)

CITY OF LANCASTER, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023**

	Special Improvement District Fund	Lancaster Public Transit Program Fund	911 Tariff Fund	Edward Byrne Grant Fund
Revenues:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	0	2,064,482	95,831	0
Charges for Services	0	379,124	0	0
Licenses, Permits and Fees	0	0	0	0
Investment Earnings	0	0	0	0
Special Assessments	84,641	0	0	0
Fines and Forfeitures	0	0	0	0
All Other Revenue	0	70,103	500	0
Total Revenue	84,641	2,513,709	96,331	0
Expenditures:				
Current:				
Security of Persons and Property	0	0	256,302	0
Public Health and Welfare Services	0	0	0	0
Leisure Time Activities	0	0	0	0
Community Environment	84,641	0	0	0
Transportation	0	2,496,473	0	0
General Government	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
Total Expenditures	84,641	2,496,473	256,302	0
Excess (Deficiency) of Revenues Over Expenditures	0	17,236	(159,971)	0
Other Financing Sources (Uses):				
Transfers In	0	150,000	0	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	0	150,000	0	0
Net Change in Fund Balances	0	167,236	(159,971)	0
Fund Balances (Deficit) at Beginning of Year	0	455,449	327,730	428
Decrease in Inventory Reserve	0	(1,446)	0	0
Fund Balances End of Year	\$ 0	\$ 621,239	\$ 167,759	\$ 428

CITY OF LANCASTER, OHIO

Law Director Victim Assistance Fund	Lancaster Community Development Fund	Police and Fire Pension Fund	Fairfield County Court Surveillance Fund	Indigent Drivers Alcohol Treatment Fund	Law Enforcement and Education Fund
\$ 0	\$ 0	\$ 576,266	\$ 0	\$ 0	\$ 0
44,262	320,265	64,814	27,190	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	33,786	2,094
240	959	0	0	0	0
<u>44,502</u>	<u>321,224</u>	<u>641,080</u>	<u>27,190</u>	<u>33,786</u>	<u>2,094</u>
0	0	535,126	27,190	4,922	0
0	0	0	0	0	0
0	0	0	0	0	0
0	468,548	0	0	0	0
0	0	0	0	0	0
111,234	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>111,234</u>	<u>468,548</u>	<u>535,126</u>	<u>27,190</u>	<u>4,922</u>	<u>0</u>
(66,732)	(147,324)	105,954	0	28,864	2,094
42,128	150,000	0	0	0	0
0	0	0	0	0	0
<u>42,128</u>	<u>150,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(24,604)	2,676	105,954	0	28,864	2,094
75,010	136,240	26,161	28,164	150,008	99,342
0	0	0	0	0	0
<u>\$ 50,406</u>	<u>\$ 138,916</u>	<u>\$ 132,115</u>	<u>\$ 28,164</u>	<u>\$ 178,872</u>	<u>\$ 101,436</u>

(Continued)

CITY OF LANCASTER, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023**

	Municipal Court Judicial Computer Fund	Municipal Court Probation Fund	Municipal Court Computerization Fund	Municipal Court Special Projects Fund
Revenues:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	0	269,692	0	0
Charges for Services	0	97,629	0	0
Licenses, Permits and Fees	0	0	0	0
Investment Earnings	0	0	0	0
Special Assessments	0	0	0	0
Fines and Forfeitures	36,833	385,929	150,009	753,730
All Other Revenue	0	6,323	542	505
Total Revenue	36,833	759,573	150,551	754,235
Expenditures:				
Current:				
Security of Persons and Property	0	0	0	0
Public Health and Welfare Services	0	0	0	0
Leisure Time Activities	0	0	0	0
Community Environment	0	0	0	0
Transportation	0	0	0	0
General Government	45,374	814,947	153,140	216,189
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
Total Expenditures	45,374	814,947	153,140	216,189
Excess (Deficiency) of Revenues Over Expenditures	(8,541)	(55,374)	(2,589)	538,046
Other Financing Sources (Uses):				
Transfers In	0	150,000	0	110,500
Transfers Out	0	0	0	(671,938)
Total Other Financing Sources (Uses)	0	150,000	0	(561,438)
Net Change in Fund Balances	(8,541)	94,626	(2,589)	(23,392)
Fund Balances (Deficit) at Beginning of Year	61,993	1,025,667	192,486	457,775
Decrease in Inventory Reserve	0	0	0	0
Fund Balances End of Year	\$ 53,452	\$ 1,120,293	\$ 189,897	\$ 434,383

CITY OF LANCASTER, OHIO

Municipal Court Family Violence Fund	Municipal Drug Court Fund	Ohio Peace Officers Training Fund	Fire Insurance Escrow Fund	DARE Officer Retention Grant Fund	Safe Routes to School Fund
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	315,495	0	0	43,147	0
431	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	65,453	0	563,378	0	0
431	380,948	0	563,378	43,147	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	408,244	0	506,471	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	408,244	0	506,471	0	0
431	(27,296)	0	56,907	43,147	0
0	50,000	0	0	0	0
0	0	0	0	0	0
0	50,000	0	0	0	0
431	22,704	0	56,907	43,147	0
20,914	177,673	40,833	0	46,091	2,780
0	0	0	0	0	0
\$ 21,345	\$ 200,377	\$ 40,833	\$ 56,907	\$ 89,238	\$ 2,780

(Continued)

CITY OF LANCASTER, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

	.15 Fire Levy Fund	DOJ Equitable Sharing Grant Fund	One Ohio Opioid Settlement Fund	Local Fiscal Recovery Fund
Revenues:				
Taxes	\$ 2,213,663	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	0	3,510	74,200	170,990
Charges for Services	0	0	0	0
Licenses, Permits and Fees	0	0	0	0
Investment Earnings	0	0	0	0
Special Assessments	0	0	0	0
Fines and Forfeitures	0	0	0	0
All Other Revenue	38,029	0	0	0
Total Revenue	2,251,692	3,510	74,200	170,990
Expenditures:				
Current:				
Security of Persons and Property	1,900,316	42,743	0	0
Public Health and Welfare Services	0	0	0	0
Leisure Time Activities	0	0	0	0
Community Environment	0	0	0	0
Transportation	0	0	0	0
General Government	0	0	0	170,990
Debt Service:				
Principal Retirement	18,262	0	0	0
Interest and Fiscal Charges	1,894	0	0	0
Total Expenditures	1,920,472	42,743	0	170,990
Excess (Deficiency) of Revenues Over Expenditures	331,220	(39,233)	74,200	0
Other Financing Sources (Uses):				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balances	331,220	(39,233)	74,200	0
Fund Balances (Deficit) at Beginning of Year	1,691,710	280,466	0	0
Decrease in Inventory Reserve	0	0	0	0
Fund Balances End of Year	\$ 2,022,930	\$ 241,233	\$ 74,200	\$ 0

CITY OF LANCASTER, OHIO

CDBG Fund	State Highway Fund	Drug Enforcement Fund	Cemetery Interment Fund	Cemetery Perpetual Care Fund	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,190,119
436,529	159,069	0	0	0	7,278,216
0	0	0	35,900	42,949	2,140,938
0	0	0	0	0	19,797
2,790	39,862	0	0	20,427	74,594
0	0	0	0	0	84,641
0	0	35,587	0	0	1,397,968
224	0	0	0	0	904,413
<u>439,543</u>	<u>198,931</u>	<u>35,587</u>	<u>35,900</u>	<u>63,376</u>	<u>21,090,686</u>
0	0	0	0	0	2,766,599
0	0	0	24,239	0	716,139
0	0	0	0	0	3,274,364
398,249	0	0	0	0	951,438
0	0	0	0	0	8,373,802
0	0	0	0	0	2,426,589
0	0	0	0	0	271,063
0	0	0	0	0	42,525
<u>398,249</u>	<u>0</u>	<u>0</u>	<u>24,239</u>	<u>0</u>	<u>18,822,519</u>
41,294	198,931	35,587	11,661	63,376	2,268,167
0	0	0	0	0	1,445,628
0	(170,000)	0	0	0	(941,938)
<u>0</u>	<u>(170,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>503,690</u>
41,294	28,931	35,587	11,661	63,376	2,771,857
1,632,625	48,450	17,993	267,799	910,215	12,607,811
0	0	0	0	0	(108,060)
<u>\$ 1,673,919</u>	<u>\$ 77,381</u>	<u>\$ 53,580</u>	<u>\$ 279,460</u>	<u>\$ 973,591</u>	<u>\$ 15,271,608</u>

CITY OF LANCASTER, OHIO

***Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2023***

	General Bond Retirement Fund	Total Nonmajor Debt Service Funds
Assets:		
Cash and Cash Equivalents	\$ 166	\$ 166
Total Assets	<u>\$ 166</u>	<u>\$ 166</u>
Liabilities:	<u>0</u>	<u>0</u>
Fund Balances:		
Restricted	166	166
Total Fund Balances	<u>166</u>	<u>166</u>
Total Liabilities and Fund Balances	<u>\$ 166</u>	<u>\$ 166</u>

CITY OF LANCASTER, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2023***

	General Bond Retirement Fund	Special Assessment Debt Retirement Fund	Total Nonmajor Debt Service Funds
Revenues:			
Investment Earnings	\$ 165	\$ 0	\$ 165
Total Revenue	<u>165</u>	<u>0</u>	<u>165</u>
Expenditures:			
Current:			
Transportation	0	1,025	1,025
Debt Service:			
Principal Retirement	600,000	0	600,000
Interest and Fiscal Charges	273,516	0	273,516
Total Expenditures	<u>873,516</u>	<u>1,025</u>	<u>874,541</u>
Excess (Deficiency) of Revenues Over Expenditures	(873,351)	(1,025)	(874,376)
Other Financing Sources (Uses):			
Transfers In	872,576	0	872,576
Total Other Financing Sources (Uses)	<u>872,576</u>	<u>0</u>	<u>872,576</u>
Net Change in Fund Balances	(775)	(1,025)	(1,800)
Fund Balances at Beginning of Year	<u>941</u>	<u>1,025</u>	<u>1,966</u>
Fund Balances End of Year	<u>\$ 166</u>	<u>\$ 0</u>	<u>\$ 166</u>

CITY OF LANCASTER, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2023**

	LDOT Improvement Fund	Parks Improvement Fund	Capital Improvement Fund	Timbertop TIF Fund
Assets:				
Cash and Cash Equivalents	\$ 594,658	\$ 64,212	\$ 2,572,687	\$ 0
Receivables				
Taxes	0	33,751	67,502	115,288
Leases	0	0	54,847	0
Due from Other Funds	0	21,739	108,695	0
Total Assets	\$ 594,658	\$ 119,702	\$ 2,803,731	\$ 115,288
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 2,970	\$ 0
Accrued Interest Payable	0	0	0	0
General Obligation Notes Payable	0	0	0	0
Advances from Other Funds	0	0	0	0
Total Liabilities	0	0	2,970	0
Deferred Inflows of Resources:				
Property Taxes	0	0	0	115,288
Leases	0	0	54,847	0
Unavailable Revenue	0	19,636	39,272	0
Total Deferred Inflows of Resources	0	19,636	94,119	115,288
Fund Balances:				
Restricted	319,658	0	0	0
Committed	0	100,066	2,706,642	0
Assigned	275,000	0	0	0
Unassigned	0	0	0	0
Total Fund Balances	594,658	100,066	2,706,642	0
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 594,658	\$ 119,702	\$ 2,803,731	\$ 115,288

CITY OF LANCASTER, OHIO

Fire Impact - District One Fund	Ety Road TIF Project Fund	Columbian Construction Fund	Total Nonmajor Capital Projects Funds
\$ 171,647	\$ 13,349	\$ 0	\$ 3,416,553
0	215,138	0	431,679
0	0	0	54,847
0	0	0	130,434
<u>\$ 171,647</u>	<u>\$ 228,487</u>	<u>\$ 0</u>	<u>\$ 4,033,513</u>
\$ 0	\$ 0	\$ 0	\$ 2,970
0	0	1,243	1,243
0	1,074,520	540,000	1,614,520
0	113,000	0	113,000
<u>0</u>	<u>1,187,520</u>	<u>541,243</u>	<u>1,731,733</u>
0	215,138	0	330,426
0	0	0	54,847
0	0	0	58,908
<u>0</u>	<u>215,138</u>	<u>0</u>	<u>444,181</u>
0	0	0	319,658
171,647	0	0	2,978,355
0	0	0	275,000
0	(1,174,171)	(541,243)	(1,715,414)
<u>171,647</u>	<u>(1,174,171)</u>	<u>(541,243)</u>	<u>1,857,599</u>
<u>\$ 171,647</u>	<u>\$ 228,487</u>	<u>\$ 0</u>	<u>\$ 4,033,513</u>

CITY OF LANCASTER, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2023**

	LDOT Improvement Fund	Parks Improvement Fund	Capital Improvement Fund	Fire Impact - District One Fund
Revenues:				
Taxes	\$ 0	\$ 147,577	\$ 743,840	\$ 0
Intergovernmental Revenues	626,889	0	0	0
Charges for Services	23,446	0	54,702	11,025
Investment Earnings	0	0	0	0
All Other Revenue	0	130	0	0
Total Revenue	650,335	147,707	798,542	11,025
Expenditures:				
Current:				
General Government	0	0	0	0
Capital Outlay	638,806	138,096	18,856	537,116
Debt Service:				
Principal Retirement	0	0	0	177,037
Interest and Fiscal Charges	0	0	0	5,148
Total Expenditures	638,806	138,096	18,856	719,301
Excess (Deficiency) of Revenues Over Expenditures	11,529	9,611	779,686	(708,276)
Other Financing Sources (Uses):				
Transfers In	75,000	0	150,000	0
Total Other Financing Sources (Uses)	75,000	0	150,000	0
Net Change in Fund Balances	86,529	9,611	929,686	(708,276)
Fund Balances at Beginning of Year	508,129	90,455	1,776,956	879,923
Fund Balances End of Year	\$ 594,658	\$ 100,066	\$ 2,706,642	\$ 171,647

CITY OF LANCASTER, OHIO

Ety Road TIF Project Fund	Columbian Construction Fund	Total Nonmajor Capital Projects Funds
\$ 154,242	\$ 0	\$ 1,045,659
0	0	626,889
0	0	89,173
1	0	1
0	0	130
<u>154,243</u>	<u>0</u>	<u>1,761,852</u>
8,197	0	8,197
0	0	1,332,874
0	0	177,037
43,128	32,311	80,587
<u>51,325</u>	<u>32,311</u>	<u>1,598,695</u>
102,918	(32,311)	163,157
0	212,400	437,400
0	212,400	437,400
102,918	180,089	600,557
(1,277,089)	(721,332)	1,257,042
<u>\$ (1,174,171)</u>	<u>\$ (541,243)</u>	<u>\$ 1,857,599</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2023***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 16,024,823	\$ 13,477,063	\$ 19,937,330	\$ 6,460,267
Intergovernmental Revenues	1,611,583	1,937,083	2,013,310	76,227
Charges for Services	3,946,128	3,946,128	4,631,690	685,562
License, Permits and Fees	22,600	22,600	18,990	(3,610)
Investment Earnings	600,000	600,000	1,279,402	679,402
Fines and Forfeitures	631,600	631,600	658,962	27,362
All Other Revenues	28,100	28,100	143,744	115,644
Total Revenues	<u>22,864,834</u>	<u>20,642,574</u>	<u>28,683,428</u>	<u>8,040,854</u>
Expenditures:				
Security of Persons and Property:				
Police:				
Personal Services	5,394,643	5,336,643	4,411,089	925,554
Operations and Maintenance	1,058,699	1,159,699	1,029,013	130,686
Capital Outlay	<u>1,554,610</u>	<u>1,511,610</u>	<u>202,178</u>	<u>1,309,432</u>
Total Police	8,007,952	8,007,952	5,642,280	2,365,672
Fire:				
Personal Services	<u>4,836,466</u>	<u>5,120,526</u>	<u>3,981,618</u>	<u>1,138,908</u>
Total Fire	4,836,466	5,120,526	3,981,618	1,138,908
Street Lighting:				
Operations and Maintenance	<u>288,345</u>	<u>366,345</u>	<u>363,096</u>	<u>3,249</u>
Total Street Lighting	<u>288,345</u>	<u>366,345</u>	<u>363,096</u>	<u>3,249</u>
Total Security of Persons and Property	<u>13,132,763</u>	<u>13,494,823</u>	<u>9,986,994</u>	<u>3,507,829</u>
Public Health and Welfare Services:				
Health:				
Operations and Maintenance	<u>365,000</u>	<u>365,000</u>	<u>360,500</u>	<u>4,500</u>
Total Health	365,000	365,000	360,500	4,500
Assistance to Needy:				
Operations and Maintenance	<u>26,000</u>	<u>26,000</u>	<u>16,006</u>	<u>9,994</u>
Total Assistance to Needy	<u>26,000</u>	<u>26,000</u>	<u>16,006</u>	<u>9,994</u>
Total Public Health and Welfare Services	<u>391,000</u>	<u>391,000</u>	<u>376,506</u>	<u>14,494</u>

(Continued)

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2023***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Community Environment:				
Zoning, Planning, Tree Commissions:				
Personal Services	441,479	492,439	392,834	99,605
Operations and Maintenance	177,167	248,817	163,625	85,192
Capital Outlay	1,800	1,800	1,799	1
Total Zoning, Planning, Tree Commission	620,446	743,056	558,258	184,798
Economic Development:				
Operations and Maintenance	48,852	54,772	48,852	5,920
Total Economic Development	48,852	54,772	48,852	5,920
Total Community Environment	669,298	797,828	607,110	190,718
General Government:				
Council:				
Personal Services	125,972	125,972	124,281	1,691
Operations and Maintenance	11,040	11,040	8,566	2,474
Total Council	137,012	137,012	132,847	4,165
Mayor:				
Personal Services	223,203	223,203	220,231	2,972
Operations and Maintenance	87,232	90,814	86,896	3,918
Capital Outlay	100	0	0	0
Total Mayor	310,535	314,017	307,127	6,890
Personnel:				
Personal Services	196,612	196,612	193,785	2,827
Operations and Maintenance	222,953	223,853	115,552	108,301
Capital Outlay	4,000	3,100	0	3,100
Total Personnel	423,565	423,565	309,337	114,228
Auditor:				
Personal Services	576,855	576,855	531,053	45,802
Operations and Maintenance	112,804	112,804	95,766	17,038
Capital Outlay	4,462	4,462	2,372	2,090
Total Auditor	694,121	694,121	629,191	64,930
Treasurer:				
Personal Services	94,298	94,298	70,334	23,964
Operations and Maintenance	19,527	19,527	13,977	5,550
Total Treasurer	113,825	113,825	84,311	29,514

(Continued)

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2023***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Law Director:				
Personal Services	897,291	928,025	915,118	12,907
Operations and Maintenance	156,431	156,431	91,120	65,311
Capital Outlay	3,624	3,624	3,500	124
Total Law Director	1,057,346	1,088,080	1,009,738	78,342
Law Director-Code Enforcement:				
Personal Services	235,417	235,417	212,134	23,283
Operations and Maintenance	121,762	121,763	111,355	10,408
Capital Outlay	21,742	21,742	21,665	77
Total Law Director-Code Enforcement	378,921	378,922	345,154	33,768
Municipal Court:				
Personal Services	1,361,920	1,361,920	1,313,281	48,639
Operations and Maintenance	127,424	127,424	110,081	17,343
Total Municipal Court	1,489,344	1,489,344	1,423,362	65,982
Judicial:				
Personal Services	1,043,611	1,043,610	954,147	89,463
Operations and Maintenance	81,153	82,154	68,749	13,405
Capital Outlay	1,000	0	0	0
Total Judicial	1,125,764	1,125,764	1,022,896	102,868
Civil Service:				
Personal Services	11,547	11,547	10,426	1,121
Operations and Maintenance	61,733	61,733	30,572	31,161
Total Civil Service	73,280	73,280	40,998	32,282
City Hall Maintenance:				
Personal Services	80,482	80,483	72,942	7,541
Operations and Maintenance	270,488	265,307	197,115	68,192
Capital Outlay	111,648	72,248	4,568	67,680
Total City Hall Maintenance	462,618	418,038	274,625	143,413
City Hall Maintenance-Annex:				
Operations and Maintenance	66,280	80,580	67,857	12,723
Total City Hall Maintenance-Annex	66,280	80,580	67,857	12,723

(Continued)

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2023***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Chestnut Street Parking Lot:				
Capital Outlay	0	467,962	467,961	1
Total Chestnut Street Parking Lot	0	467,962	467,961	1
GIS:				
Personal Services	235,557	222,965	189,161	33,804
Operations and Maintenance	125,346	137,438	132,495	4,943
Capital Outlay	0	500	500	0
Total GIS	360,903	360,903	322,156	38,747
Service Safety Director:				
Personal Services	316,618	299,018	259,974	39,044
Operations and Maintenance	10,294	37,444	32,906	4,538
Capital Outlay	0	36,000	36,000	0
Total Service Safety Director	326,912	372,462	328,880	43,582
Engineer:				
Personal Services	508,103	508,103	430,758	77,345
Operations and Maintenance	249,455	299,655	228,358	71,297
Capital Outlay	4,000	3,800	3,000	800
Total Engineer	761,558	811,558	662,116	149,442
Certified Building Inspection:				
Personal Services	493,788	493,789	479,054	14,735
Operations and Maintenance	157,899	157,899	128,123	29,776
Capital Outlay	5,386	5,386	4,886	500
Total Certified Building Inspection	657,073	657,074	612,063	45,011
Administration Support:				
Personal Services	25,000	30,000	24,801	5,199
Operations and Maintenance	515,255	518,750	439,584	79,166
Total Administration Support	540,255	548,750	464,385	84,365
Miscellaneous:				
Operations and Maintenance	535,100	535,100	534,225	875
Total Miscellaneous	535,100	535,100	534,225	875

(Continued)

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2023***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Income Tax:				
Personal Services	439,273	465,815	420,838	44,977
Operations and Maintenance	1,293,788	1,398,563	1,384,838	13,725
Capital Outlay	10,562	7,062	4,979	2,083
Total Income Tax	<u>1,743,623</u>	<u>1,871,440</u>	<u>1,810,655</u>	<u>60,785</u>
Total General Government	<u>11,258,035</u>	<u>11,961,797</u>	<u>10,849,884</u>	<u>1,111,913</u>
Debt Services:				
Principal Retirement	37,300	37,080	37,077	3
Interest and Fiscal Charges	13,630	13,850	7,096	6,754
Total Expenditures	<u>25,502,026</u>	<u>26,696,378</u>	<u>21,864,667</u>	<u>4,831,711</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,637,192)	(6,053,804)	6,818,761	12,872,565
Other Financing Sources (Uses):				
Transfers Out	(1,585,178)	(3,767,418)	(1,735,666)	2,031,752
Total Other Financing Sources (Uses)	<u>(1,585,178)</u>	<u>(3,767,418)</u>	<u>(1,735,666)</u>	<u>2,031,752</u>
Net Change in Fund Balance	(4,222,370)	(9,821,222)	5,083,095	14,904,317
Fund Balance at Beginning of Year	19,050,735	19,050,735	19,050,735	0
Prior Year Encumbrances	496,025	496,025	496,025	0
Fund Balance at End of Year	<u>\$ 15,324,390</u>	<u>\$ 9,725,538</u>	<u>\$ 24,629,855</u>	<u>\$ 14,904,317</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Special Revenue Fund - .45 Police and Fire Levy Fund
For the Year Ended December 31, 2023***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 5,796,497	\$ 5,796,497	\$ 6,774,758	\$ 978,261
Intergovernmental Revenues	0	0	20,978	20,978
Charges for Services	0	0	101,275	101,275
All Other Revenues	0	0	15,725	15,725
Total Revenues	<u>5,796,497</u>	<u>5,796,497</u>	<u>6,912,736</u>	<u>1,116,239</u>
Expenditures:				
Security of Persons and Property:				
Police:				
Personal Services	2,924,816	2,874,816	2,841,293	33,523
Operations and Maintenance	31,244	4,274	30	4,244
Capital Outlay	488,000	563,000	524,565	38,435
Total Police	<u>3,444,060</u>	<u>3,442,090</u>	<u>3,365,888</u>	<u>76,202</u>
Fire:				
Personal Services	1,816,551	1,780,686	1,736,976	43,710
Operations and Maintenance	1,257,950	1,259,339	1,114,848	144,491
Capital Outlay	517,302	553,748	540,364	13,384
Total Fire	<u>3,591,803</u>	<u>3,593,773</u>	<u>3,392,188</u>	<u>201,585</u>
Total Expenditures	<u>7,035,863</u>	<u>7,035,863</u>	<u>6,758,076</u>	<u>277,787</u>
Net Change in Fund Balance	(1,239,366)	(1,239,366)	154,660	1,394,026
Fund Balance at Beginning of Year	2,883,687	2,883,687	2,883,687	0
Prior Year Encumbrances	169,132	169,132	169,132	0
Fund Balance at End of Year	<u>\$ 1,813,453</u>	<u>\$ 1,813,453</u>	<u>\$ 3,207,479</u>	<u>\$ 1,394,026</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Special Revenue Fund – 2021 Police and Fire Levy Fund
For the Year Ended December 31, 2023***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 5,796,497	\$ 5,796,497	\$ 6,774,758	\$ 978,261
Charges for Services	0	0	21,900	21,900
All Other Revenues	0	0	12,088	12,088
Total Revenues	<u>5,796,497</u>	<u>5,796,497</u>	<u>6,808,746</u>	<u>1,012,249</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	6,337,203	6,495,465	6,029,594	465,871
Operations and Maintenance	361,377	319,377	262,500	56,877
Capital Outlay	0	10,550	10,550	0
Total Expenditures	<u>6,698,580</u>	<u>6,825,392</u>	<u>6,302,644</u>	<u>522,748</u>
Net Change in Fund Balance	(902,083)	(1,028,895)	506,102	1,534,997
Fund Balance at Beginning of Year	2,070,662	2,070,662	2,070,662	0
Prior Year Encumbrances	13,314	13,314	13,314	0
Fund Balance at End of Year	<u>\$ 1,181,893</u>	<u>\$ 1,055,081</u>	<u>\$ 2,590,078</u>	<u>\$ 1,534,997</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

CEMETERY FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 128,811	\$ 128,811	\$ 150,550	\$ 21,739
Charges for Services	245,000	245,000	229,629	(15,371)
Investment Earnings	17,000	17,000	11,023	(5,977)
All Other Revenues	32,000	32,000	39,909	7,909
Total Revenues	<u>422,811</u>	<u>422,811</u>	<u>431,111</u>	<u>8,300</u>
Expenditures:				
Public Health and Welfare Services:				
Personal Services	437,161	437,161	418,845	18,316
Operations and Maintenance	270,923	273,023	237,432	35,591
Capital Outlay	130,450	143,350	140,840	2,510
Debt Service:				
Principal Retirement	13,500	14,000	13,981	19
Interest Charges	1,600	1,100	956	144
Total Expenditures	<u>853,634</u>	<u>868,634</u>	<u>812,054</u>	<u>56,580</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(430,823)	(445,823)	(380,943)	64,880
Other Financing Sources (Uses):				
Transfers In	<u>295,000</u>	<u>295,000</u>	<u>295,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>295,000</u>	<u>295,000</u>	<u>295,000</u>	<u>0</u>
Net Change in Fund Balance	(135,823)	(150,823)	(85,943)	64,880
Fund Balance at Beginning of Year	468,501	468,501	468,501	0
Prior Year Encumbrances	<u>107,154</u>	<u>107,154</u>	<u>107,154</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 439,832</u>	<u>\$ 424,832</u>	<u>\$ 489,712</u>	<u>\$ 64,880</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 3,020,000	\$ 3,020,000	\$ 2,933,093	\$ (86,907)
Charges for Services	833,600	833,600	827,301	(6,299)
All Other Revenues	179,000	179,000	73,524	(105,476)
Total Revenues	<u>4,032,600</u>	<u>4,032,600</u>	<u>3,833,918</u>	<u>(198,682)</u>
Expenditures:				
Transportation:				
Personal Services	2,600,514	2,600,514	2,444,721	155,793
Operations and Maintenance	1,616,770	1,598,651	1,237,722	360,929
Capital Outlay	229,969	377,369	358,901	18,468
Total Transportation	<u>4,447,253</u>	<u>4,576,534</u>	<u>4,041,344</u>	<u>535,190</u>
Debt Service:				
Principal Retirement	165,000	169,080	169,080	0
Interest and Fiscal Charges	24,000	25,639	25,639	0
Total Debt Service	<u>189,000</u>	<u>194,719</u>	<u>194,719</u>	<u>0</u>
Total Expenditures	<u>4,636,253</u>	<u>4,771,253</u>	<u>4,236,063</u>	<u>535,190</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures				
	(603,653)	(738,653)	(402,145)	336,508
Other Financing Sources (Uses):				
Transfers In	420,000	420,000	420,000	0
Transfers Out	(100,000)	(100,000)	(100,000)	0
Total Other Financing Sources (Uses)	<u>320,000</u>	<u>320,000</u>	<u>320,000</u>	<u>0</u>
Net Change in Fund Balance	(283,653)	(418,653)	(82,145)	336,508
Fund Balance at Beginning of Year	936,573	936,573	936,573	0
Prior Year Encumbrances	201,349	201,349	201,349	0
Fund Balance at End of Year	<u>\$ 854,269</u>	<u>\$ 719,269</u>	<u>\$ 1,055,777</u>	<u>\$ 336,508</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

	STREET LEVY FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 2,023,500	\$ 2,062,000	\$ 2,174,908	\$ 112,908
Intergovernmental Revenues	214,500	205,500	105,441	(100,059)
All Other Revenues	500	500	63	(437)
Total Revenues	<u>2,238,500</u>	<u>2,268,000</u>	<u>2,280,412</u>	<u>12,412</u>
Expenditures:				
Transportation:				
Operations and Maintenance	<u>2,479,045</u>	<u>2,450,088</u>	<u>2,081,429</u>	<u>368,659</u>
Total Expenditures	<u>2,479,045</u>	<u>2,450,088</u>	<u>2,081,429</u>	<u>368,659</u>
Net Change in Fund Balance	(240,545)	(182,088)	198,983	381,071
Fund Balance at Beginning of Year	197,543	197,543	197,543	0
Prior Year Encumbrances	<u>14,045</u>	<u>14,045</u>	<u>14,045</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (28,957)</u>	<u>\$ 29,500</u>	<u>\$ 410,571</u>	<u>\$ 381,071</u>

CITY OF LANCASTER, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023**

PARKS AND RECREATION FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 3,220,275	\$ 3,220,275	\$ 3,763,754	\$ 543,479
Intergovernmental Revenues	139,342	139,342	40,000	(99,342)
Charges for Services	555,000	555,000	528,377	(26,623)
Licenses, Permits and Fees	36,000	36,000	19,797	(16,203)
All Other Revenues	12,000	12,000	45,229	33,229
Total Revenues	<u>3,962,617</u>	<u>3,962,617</u>	<u>4,397,157</u>	<u>434,540</u>
Expenditures:				
Leisure Time Activities:				
Personal Services	2,059,896	2,060,495	1,892,122	168,373
Operations and Maintenance	1,517,774	1,513,233	1,107,416	405,817
Capital Outlay	863,712	867,593	406,647	460,946
Total Leisure Time Activities	<u>4,441,382</u>	<u>4,441,321</u>	<u>3,406,185</u>	<u>1,035,136</u>
Debt Service:				
Principal Retirement	58,617	58,617	58,564	53
Interest and Fiscal Charges	11,771	11,832	11,832	0
Total Debt Service	<u>70,388</u>	<u>70,449</u>	<u>70,396</u>	<u>53</u>
Total Expenditures	<u>4,511,770</u>	<u>4,511,770</u>	<u>3,476,581</u>	<u>1,035,189</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(549,153)	(549,153)	920,576	1,469,729
Other Financing Sources (Uses):				
Transfers In	78,000	78,000	78,000	0
Total Other Financing Sources (Uses)	<u>78,000</u>	<u>78,000</u>	<u>78,000</u>	<u>0</u>
Net Change in Fund Balance	(471,153)	(471,153)	998,576	1,469,729
Fund Balance at Beginning of Year	1,270,594	1,270,594	1,270,594	0
Prior Year Encumbrances	138,355	138,355	138,355	0
Fund Balance at End of Year	<u>\$ 937,796</u>	<u>\$ 937,796</u>	<u>\$ 2,407,525</u>	<u>\$ 1,469,729</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Special Assessments	\$ 76,700	\$ 84,641	\$ 84,641	\$ 0
Total Revenues	<u>76,700</u>	<u>84,641</u>	<u>84,641</u>	<u>0</u>
Expenditures:				
Community Environment:				
Operations and Maintenance	<u>76,700</u>	<u>84,641</u>	<u>84,641</u>	<u>0</u>
Total Expenditures	<u>76,700</u>	<u>84,641</u>	<u>84,641</u>	<u>0</u>
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

LANCASTER PUBLIC TRANSIT PROGRAM FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 2,056,266	\$ 2,056,266	\$ 1,776,453	\$ (279,813)
Charges for Services	430,000	430,000	362,192	(67,808)
All Other Revenues	52,500	52,500	65,428	12,928
Total Revenues	<u>2,538,766</u>	<u>2,538,766</u>	<u>2,204,073</u>	<u>(334,693)</u>
Expenditures:				
Transportation:				
Personal Services	1,938,861	1,866,861	1,791,009	75,852
Operations and Maintenance	854,996	854,996	722,210	132,786
Capital Outlay	27,376	26,376	24,064	2,312
Total Expenditures	<u>2,821,233</u>	<u>2,748,233</u>	<u>2,537,283</u>	<u>210,950</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(282,467)	(209,467)	(333,210)	(123,743)
Other Financing Sources (Uses):				
Transfers In	150,000	150,000	150,000	0
Total Other Financing Sources (Uses)	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>0</u>
Net Change in Fund Balance	(132,467)	(59,467)	(183,210)	(123,743)
Fund Balance at Beginning of Year	370,141	370,141	370,141	0
Prior Year Encumbrances	119,175	119,175	119,175	0
Fund Balance at End of Year	<u>\$ 356,849</u>	<u>\$ 429,849</u>	<u>\$ 306,106</u>	<u>\$ (123,743)</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

911 TARIFF FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 90,000	\$ 90,000	\$ 95,831	\$ 5,831
All Other Revenues	0	0	500	500
Total Revenues	<u>90,000</u>	<u>90,000</u>	<u>96,331</u>	<u>6,331</u>
Expenditures:				
Security of Persons and Property:				
Operations and Maintenance	283,778	210,647	117,859	92,788
Capital Outlay	20,000	20,000	10,500	9,500
Total Expenditures	<u>303,778</u>	<u>230,647</u>	<u>128,359</u>	<u>102,288</u>
Net Change in Fund Balance	(213,778)	(140,647)	(32,028)	108,619
Fund Balance at Beginning of Year	146,777	146,777	146,777	0
Prior Year Encumbrances	13,778	13,778	13,778	0
Fund Balance at End of Year	<u>\$ (53,223)</u>	<u>\$ 19,908</u>	<u>\$ 128,527</u>	<u>\$ 108,619</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Total Expenditures	0	0	0	0
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	428	428	428	0
Fund Balance at End of Year	<u>\$ 428</u>	<u>\$ 428</u>	<u>\$ 428</u>	<u>\$ 0</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

LAW DIRECTOR VICTIM ASSISTANCE FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 44,264	\$ 44,264	\$ 47,071	\$ 2,807
All Other Revenues	0	0	240	240
Total Revenues	<u>44,264</u>	<u>44,264</u>	<u>47,311</u>	<u>3,047</u>
Expenditures:				
General Government:				
Personal Services	102,195	111,973	110,345	1,628
Total Expenditures	<u>102,195</u>	<u>111,973</u>	<u>110,345</u>	<u>1,628</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(57,931)	(67,709)	(63,034)	4,675
Other Financing Sources (Uses):				
Transfers In	42,128	42,128	42,128	0
Total Other Financing Sources (Uses)	<u>42,128</u>	<u>42,128</u>	<u>42,128</u>	<u>0</u>
Net Change in Fund Balance	(15,803)	(25,581)	(20,906)	4,675
Fund Balance at Beginning of Year	76,145	76,145	76,145	0
Prior Year Encumbrances	67	67	67	0
Fund Balance at End of Year	<u>\$ 60,409</u>	<u>\$ 50,631</u>	<u>\$ 55,306</u>	<u>\$ 4,675</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

LANCASTER COMMUNITY DEVELOPMENT FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 963,860	\$ 963,860	\$ 272,728	\$ (691,132)
All Other Revenues	0	0	959	959
Total Revenues	<u>963,860</u>	<u>963,860</u>	<u>273,687</u>	<u>(690,173)</u>
Expenditures:				
Community Environment:				
Personal Services	443,974	403,774	397,806	5,968
Operations and Maintenance	680,187	125,742	67,153	58,589
Total Expenditures	<u>1,124,161</u>	<u>529,516</u>	<u>464,959</u>	<u>64,557</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(160,301)	434,344	(191,272)	(625,616)
Other Financing Sources (Uses):				
Transfers In	150,000	150,000	150,000	0
Total Other Financing Sources (Uses)	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>0</u>
Net Change in Fund Balance	(10,301)	584,344	(41,272)	(625,616)
Fund Balance at Beginning of Year	118,581	118,581	118,581	0
Prior Year Encumbrances	10,301	10,301	10,301	0
Fund Balance at End of Year	<u>\$ 118,581</u>	<u>\$ 713,226</u>	<u>\$ 87,610</u>	<u>\$ (625,616)</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

LAW ENFORCEMENT BLOCK GRANT FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Expenditures:				
Security of Persons and Property:				
Operations and Maintenance	7,700	7,700	7,700	0
Total Expenditures	7,700	7,700	7,700	0
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net Change in Fund Balance	(7,700)	(7,700)	(7,700)	0
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances	7,700	7,700	7,700	0
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

POLICE AND FIRE PENSION FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 509,000	\$ 548,000	\$ 576,266	\$ 28,266
Intergovernmental Revenues	0	63,000	32,404	(30,596)
Total Revenues	<u>509,000</u>	<u>611,000</u>	<u>608,670</u>	<u>(2,330)</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	526,088	524,254	524,254	0
Operations and Maintenance	9,000	10,834	10,834	0
Total Expenditures	<u>535,088</u>	<u>535,088</u>	<u>535,088</u>	<u>0</u>
Net Change in Fund Balance	(26,088)	75,912	73,582	(2,330)
Fund Balance at Beginning of Year	<u>26,161</u>	<u>26,161</u>	<u>26,161</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 73</u>	<u>\$ 102,073</u>	<u>\$ 99,743</u>	<u>\$ (2,330)</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Security of Persons and Property:				
Operations and Maintenance	0	0	27,190	(27,190)
Total Expenditures	0	0	27,190	(27,190)
Net Change in Fund Balance	0	0	(27,190)	(27,190)
Fund Balance at Beginning of Year	55,354	55,354	55,354	0
Fund Balance at End of Year	\$ 55,354	\$ 55,354	\$ 28,164	\$ (27,190)

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

INDIGENT DRIVERS ALCOHOL TREATMENT FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 50,000	\$ 50,000	\$ 33,622	\$ (16,378)
Total Revenues	<u>50,000</u>	<u>50,000</u>	<u>33,622</u>	<u>(16,378)</u>
Expenditures:				
Security of Persons and Property:				
Operations and Maintenance	125,595	125,595	23,421	102,174
Total Expenditures	<u>125,595</u>	<u>125,595</u>	<u>23,421</u>	<u>102,174</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(75,595)	(75,595)	10,201	85,796
Other Financing Sources (Uses):				
Transfers Out	(100,000)	(50,000)	0	50,000
Total Other Financing Sources (Uses)	<u>(100,000)</u>	<u>(50,000)</u>	<u>0</u>	<u>50,000</u>
Net Change in Fund Balance	(175,595)	(125,595)	10,201	135,796
Fund Balance at Beginning of Year	136,565	136,565	136,565	0
Prior Year Encumbrances	25,595	25,595	25,595	0
Fund Balance at End of Year	<u>\$ (13,435)</u>	<u>\$ 36,565</u>	<u>\$ 172,361</u>	<u>\$ 135,796</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 0	\$ 0	\$ 1,977	\$ 1,977
Total Revenues	<u>0</u>	<u>0</u>	<u>1,977</u>	<u>1,977</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	0	1,977	1,977
Fund Balance at Beginning of Year	<u>99,257</u>	<u>99,257</u>	<u>99,257</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 99,257</u>	<u>\$ 99,257</u>	<u>\$ 101,234</u>	<u>\$ 1,977</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

MUNICIPAL COURT JUDICIAL COMPUTER FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 45,000	\$ 45,000	\$ 37,085	\$ (7,915)
All Other Revenues	0	0	259	259
Total Revenues	<u>45,000</u>	<u>45,000</u>	<u>37,344</u>	<u>(7,656)</u>
Expenditures:				
General Government:				
Operations and Maintenance	101,477	88,677	45,374	43,303
Capital Outlay	<u>5,000</u>	<u>5,000</u>	<u>0</u>	<u>5,000</u>
Total Expenditures	<u>106,477</u>	<u>93,677</u>	<u>45,374</u>	<u>48,303</u>
Net Change in Fund Balance	(61,477)	(48,677)	(8,030)	40,647
Fund Balance at Beginning of Year	47,322	47,322	47,322	0
Prior Year Encumbrances	<u>11,477</u>	<u>11,477</u>	<u>11,477</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (2,678)</u>	<u>\$ 10,122</u>	<u>\$ 50,769</u>	<u>\$ 40,647</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

MUNICIPAL COURT PROBATION FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 315,760	\$ 324,760	\$ 351,262	\$ 26,502
Charges for Services	50,000	50,000	62,614	12,614
Fines and Forfeitures	350,000	350,000	382,915	32,915
All Other Revenues	8,000	8,000	6,020	(1,980)
Total Revenues	<u>723,760</u>	<u>732,760</u>	<u>802,811</u>	<u>70,051</u>
Expenditures:				
General Government:				
Personal Services	758,401	758,401	643,591	114,810
Operations and Maintenance	211,414	220,415	171,807	48,608
Total Expenditures	<u>969,815</u>	<u>978,816</u>	<u>815,398</u>	<u>163,418</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(246,055)	(246,056)	(12,587)	233,469
Other Financing Sources (Uses):				
Transfers In	150,000	150,000	150,000	0
Total Other Financing Sources (Uses)	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>0</u>
Net Change in Fund Balance	(96,055)	(96,056)	137,413	233,469
Fund Balance at Beginning of Year	924,888	924,888	924,888	0
Prior Year Encumbrances	14,842	14,842	14,842	0
Fund Balance at End of Year	<u>\$ 843,675</u>	<u>\$ 843,674</u>	<u>\$ 1,077,143</u>	<u>\$ 233,469</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 150,000	\$ 150,000	\$ 150,803	\$ 803
All Other Revenues	0	0	469	469
Total Revenues	<u>150,000</u>	<u>150,000</u>	<u>151,272</u>	<u>1,272</u>
Expenditures:				
General Government:				
Personal Services	102,182	102,182	100,873	1,309
Operations and Maintenance	133,888	133,888	53,849	80,039
Capital Outlay	15,513	15,513	7,188	8,325
Total Expenditures	<u>251,583</u>	<u>251,583</u>	<u>161,910</u>	<u>89,673</u>
Net Change in Fund Balance	(101,583)	(101,583)	(10,638)	90,945
Fund Balance at Beginning of Year	181,931	181,931	181,931	0
Prior Year Encumbrances	6,583	6,583	6,583	0
Fund Balance at End of Year	<u>\$ 86,931</u>	<u>\$ 86,931</u>	<u>\$ 177,876</u>	<u>\$ 90,945</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

MUNICIPAL COURT SPECIAL PROJECTS FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 735,000	\$ 735,000	\$ 749,306	\$ 14,306
All Other Revenues	30,000	30,000	505	(29,495)
Total Revenues	<u>765,000</u>	<u>765,000</u>	<u>749,811</u>	<u>(15,189)</u>
Expenditures:				
General Government:				
Personal Services	2,023	2,023	221	1,802
Operations and Maintenance	635,892	547,454	241,000	306,454
Capital Outlay	75,000	50,000	0	50,000
Total Expenditures	<u>712,915</u>	<u>599,477</u>	<u>241,221</u>	<u>358,256</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	52,085	165,523	508,590	343,067
Other Financing Sources (Uses):				
Transfers In	100,000	110,500	110,500	0
Transfers Out	(665,000)	(671,938)	(671,938)	0
Total Other Financing Sources (Uses)	<u>(565,000)</u>	<u>(561,438)</u>	<u>(561,438)</u>	<u>0</u>
Net Change in Fund Balance	(512,915)	(395,915)	(52,848)	343,067
Fund Balance at Beginning of Year	398,832	398,832	398,832	0
Prior Year Encumbrances	23,415	23,415	23,415	0
Fund Balance at End of Year	<u>\$ (90,668)</u>	<u>\$ 26,332</u>	<u>\$ 369,399</u>	<u>\$ 343,067</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 0	\$ 0	\$ 486	\$ 486
Total Revenues	<u>0</u>	<u>0</u>	<u>486</u>	<u>486</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	0	486	486
Fund Balance at Beginning of Year	<u>20,859</u>	<u>20,859</u>	<u>20,859</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 20,859</u>	<u>\$ 20,859</u>	<u>\$ 21,345</u>	<u>\$ 486</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

MUNICIPAL DRUG COURT FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 334,522	\$ 334,522	\$ 328,993	\$ (5,529)
All Other Revenues	51,000	51,000	52,435	1,435
Total Revenues	<u>385,522</u>	<u>385,522</u>	<u>381,428</u>	<u>(4,094)</u>
Expenditures:				
General Government:				
Personal Services	214,368	230,368	184,329	46,039
Operations and Maintenance	278,126	262,126	226,106	36,020
Total Expenditures	<u>492,494</u>	<u>492,494</u>	<u>410,435</u>	<u>82,059</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(106,972)	(106,972)	(29,007)	77,965
Other Financing Sources (Uses):				
Transfers In	100,000	100,000	50,000	(50,000)
Total Other Financing Sources (Uses)	<u>100,000</u>	<u>100,000</u>	<u>50,000</u>	<u>(50,000)</u>
Net Change in Fund Balance	(6,972)	(6,972)	20,993	27,965
Fund Balance at Beginning of Year	127,215	127,215	127,215	0
Prior Year Encumbrances	5,956	5,956	5,956	0
Fund Balance at End of Year	<u>\$ 126,199</u>	<u>\$ 126,199</u>	<u>\$ 154,164</u>	<u>\$ 27,965</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

OHIO PEACE OFFICERS TRAINING FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Security of Persons and Property:				
Operations and Maintenance	10,000	10,000	0	10,000
Total Expenditures	10,000	10,000	0	10,000
Net Change in Fund Balance	(10,000)	(10,000)	0	10,000
Fund Balance at Beginning of Year	40,833	40,833	40,833	0
Fund Balance at End of Year	<u>\$ 30,833</u>	<u>\$ 30,833</u>	<u>\$ 40,833</u>	<u>\$ 10,000</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

DARE OFFICER RETENTION GRANT FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 0	\$ 43,147	\$ 43,147
Total Revenues	<u>0</u>	<u>0</u>	<u>43,147</u>	<u>43,147</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	0	43,147	43,147
Fund Balance at Beginning of Year	<u>46,091</u>	<u>46,091</u>	<u>46,091</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 46,091</u>	<u>\$ 46,091</u>	<u>\$ 89,238</u>	<u>\$ 43,147</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Total Expenditures	0	0	0	0
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	2,780	2,780	2,780	0
Fund Balance at End of Year	<u>\$ 2,780</u>	<u>\$ 2,780</u>	<u>\$ 2,780</u>	<u>\$ 0</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

.15 FIRE LEVY FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 1,932,166	\$ 1,932,166	\$ 2,258,253	\$ 326,087
All Other Revenues	0	0	37,351	37,351
Total Revenues	1,932,166	1,932,166	2,295,604	363,438
Expenditures:				
Security of Persons and Property:				
Personal Services	2,235,654	2,235,654	1,889,361	346,293
Total Security of Persons and Property	2,235,654	2,235,654	1,889,361	346,293
Debt Service:				
Principal Retirement	18,371	18,262	18,262	0
Interest and Fiscal Charges	1,786	1,895	1,894	1
Total Debt Service	20,157	20,157	20,156	1
Total Expenditures	2,255,811	2,255,811	1,909,517	346,294
Net Change in Fund Balance	(323,645)	(323,645)	386,087	709,732
Fund Balance at Beginning of Year	1,156,536	1,156,536	1,156,536	0
Prior Year Encumbrances	3,749	3,749	3,749	0
Fund Balance at End of Year	\$ 836,640	\$ 836,640	\$ 1,546,372	\$ 709,732

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

DOJ EQUITABLE SHARING GRANT FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 0	\$ 3,510	\$ 3,510
Total Revenues	<u>0</u>	<u>0</u>	<u>3,510</u>	<u>3,510</u>
Expenditures:				
Security of Persons and Property:				
Operations and Maintenance	77,201	77,201	46,850	30,351
Capital Outlay	60,780	60,780	0	60,780
Total Expenditures	<u>137,981</u>	<u>137,981</u>	<u>46,850</u>	<u>91,131</u>
Net Change in Fund Balance	(137,981)	(137,981)	(43,340)	94,641
Fund Balance at Beginning of Year	260,185	260,185	260,185	0
Prior Year Encumbrances	20,281	20,281	20,281	0
Fund Balance at End of Year	<u>\$ 142,485</u>	<u>\$ 142,485</u>	<u>\$ 237,126</u>	<u>\$ 94,641</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 0	\$ 74,200	\$ 74,200
Total Revenues	0	0	74,200	74,200
Expenditures:				
Total Expenditures	0	0	0	0
Net Change in Fund Balance	0	0	74,200	74,200
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 74,200	\$ 74,200

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
General Government:				
Operations and Maintenance	0	823,293	170,990	652,303
Total Expenditures	0	823,293	170,990	652,303
Net Change in Fund Balance	0	(823,293)	(170,990)	652,303
Fund Balance at Beginning of Year	823,293	823,293	823,293	0
Fund Balance at End of Year	\$ 823,293	\$ 0	\$ 652,303	\$ 652,303

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 817,826	\$ 817,826	\$ 450,314	\$ (367,512)
All Other Revenues	1,200	1,200	7,167	5,967
Total Revenues	<u>819,026</u>	<u>819,026</u>	<u>457,481</u>	<u>(361,545)</u>
Expenditures:				
Community Environment:				
Operations and Maintenance	153,326	21,575	20,519	1,056
Capital Outlay	<u>748,015</u>	<u>513,219</u>	<u>407,622</u>	<u>105,597</u>
Total Expenditures	<u>901,341</u>	<u>534,794</u>	<u>428,141</u>	<u>106,653</u>
Net Change in Fund Balance	(82,315)	284,232	29,340	(254,892)
Fund Balance at Beginning of Year	170,789	170,789	170,789	0
Prior Year Encumbrances	<u>54,515</u>	<u>54,515</u>	<u>54,515</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 142,989</u>	<u>\$ 509,536</u>	<u>\$ 254,644</u>	<u>\$ (254,892)</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

	STATE HIGHWAY FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 160,000	\$ 160,000	\$ 158,804	\$ (1,196)
Investment Earnings	10,000	10,000	36,488	26,488
Total Revenues	<u>170,000</u>	<u>170,000</u>	<u>195,292</u>	<u>25,292</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	170,000	170,000	195,292	25,292
Other Financing Sources (Uses):				
Transfers Out	<u>(170,000)</u>	<u>(170,000)</u>	<u>(170,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(170,000)</u>	<u>(170,000)</u>	<u>(170,000)</u>	<u>0</u>
Net Change in Fund Balance	0	0	25,292	25,292
Fund Balance at Beginning of Year	<u>22,013</u>	<u>22,013</u>	<u>22,013</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 22,013</u>	<u>\$ 22,013</u>	<u>\$ 47,305</u>	<u>\$ 25,292</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 26,000	\$ 26,000	\$ 35,900	\$ 9,900
Investment Earnings	1,000	1,000	0	(1,000)
Total Revenues	<u>27,000</u>	<u>27,000</u>	<u>35,900</u>	<u>8,900</u>
Expenditures:				
Public Health and Welfare Services:				
Operations and Maintenance	<u>30,000</u>	<u>30,000</u>	<u>24,239</u>	<u>5,761</u>
Total Expenditures	<u>30,000</u>	<u>30,000</u>	<u>24,239</u>	<u>5,761</u>
Net Change in Fund Balance	(3,000)	(3,000)	11,661	14,661
Fund Balance at Beginning of Year	<u>267,799</u>	<u>267,799</u>	<u>267,799</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 264,799</u>	<u>\$ 264,799</u>	<u>\$ 279,460</u>	<u>\$ 14,661</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 0	\$ 0	\$ 42,949	\$ 42,949
Total Revenues	<u>0</u>	<u>0</u>	<u>42,949</u>	<u>42,949</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	0	42,949	42,949
Fund Balance at Beginning of Year	<u>952,226</u>	<u>952,226</u>	<u>952,226</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 952,226</u>	<u>\$ 952,226</u>	<u>\$ 995,175</u>	<u>\$ 42,949</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Funds
For the Year Ended December 31, 2023***

GENERAL BOND RETIREMENT FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment Earnings	\$ 0	\$ 164	\$ 165	\$ 1
Total Revenues	<u>0</u>	<u>164</u>	<u>165</u>	<u>1</u>
Expenditures:				
Debt Service:				
Principal Retirement	600,000	601,105	600,940	165
Interest and Fiscal Charges	<u>272,576</u>	<u>325,190</u>	<u>325,190</u>	<u>0</u>
Total Expenditures	<u>872,576</u>	<u>926,295</u>	<u>926,130</u>	<u>165</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(872,576)	(926,131)	(925,965)	166
Other Financing Sources (Uses):				
Transfers In	<u>872,576</u>	<u>925,190</u>	<u>925,190</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>872,576</u>	<u>925,190</u>	<u>925,190</u>	<u>0</u>
Net Change in Fund Balance	0	(941)	(775)	166
Fund Balance at Beginning of Year	<u>941</u>	<u>941</u>	<u>941</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 941</u>	<u>\$ 0</u>	<u>\$ 166</u>	<u>\$ 166</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Funds
For the Year Ended December 31, 2023***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
General Government:				
Operations and Maintenance	1,025	1,025	1,025	0
Total Expenditures	1,025	1,025	1,025	0
Net Change in Fund Balance	(1,025)	(1,025)	(1,025)	0
Fund Balance at Beginning of Year	1,025	1,025	1,025	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 0	\$ 0

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2023***

LDOT IMPROVEMENT FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 300,000	\$ 376,961	\$ 95,300	\$ (281,661)
Charges for Services	0	23,447	23,446	(1)
All Other Revenues	40,000	40,000	0	(40,000)
Total Revenues	<u>340,000</u>	<u>440,408</u>	<u>118,746</u>	<u>(321,662)</u>
Expenditures:				
Capital Outlay	806,235	606,643	107,217	499,426
Total Expenditures	<u>806,235</u>	<u>606,643</u>	<u>107,217</u>	<u>499,426</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(466,235)	(166,235)	11,529	177,764
Other Financing Sources (Uses):				
Transfers In	75,000	75,000	75,000	0
Total Other Financing Sources (Uses)	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>0</u>
Net Change in Fund Balance	(391,235)	(91,235)	86,529	177,764
Fund Balance at Beginning of Year	503,296	503,296	503,296	0
Prior Year Encumbrances	4,833	4,833	4,833	0
Fund Balance at End of Year	<u>\$ 116,894</u>	<u>\$ 416,894</u>	<u>\$ 594,658</u>	<u>\$ 177,764</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2023***

	PARKS IMPROVEMENT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 128,811	\$ 128,811	\$ 150,550	\$ 21,739
All Other Revenues	0	0	130	130
Total Revenues	<u>128,811</u>	<u>128,811</u>	<u>150,680</u>	<u>21,869</u>
Expenditures:				
Capital Outlay	<u>151,609</u>	<u>151,609</u>	<u>138,098</u>	<u>13,511</u>
Total Expenditures	<u>151,609</u>	<u>151,609</u>	<u>138,098</u>	<u>13,511</u>
Net Change in Fund Balance	(22,798)	(22,798)	12,582	35,380
Fund Balance at Beginning of Year	51,557	51,557	51,557	0
Prior Year Encumbrances	<u>71</u>	<u>71</u>	<u>71</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 28,830</u>	<u>\$ 28,830</u>	<u>\$ 64,210</u>	<u>\$ 35,380</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2023***

CAPITAL IMPROVEMENT FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 644,055	\$ 644,055	\$ 752,750	\$ 108,695
Charges for Services	53,100	53,100	54,702	1,602
Total Revenues	<u>697,155</u>	<u>697,155</u>	<u>807,452</u>	<u>110,297</u>
Expenditures:				
Capital Outlay	797,134	1,220,884	177,378	1,043,506
Debt Service:				
Principal Retirement	<u>110,000</u>	<u>110,000</u>	<u>0</u>	<u>110,000</u>
Total Expenditures	<u>907,134</u>	<u>1,330,884</u>	<u>177,378</u>	<u>1,153,506</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(209,979)	(633,729)	630,074	1,263,803
Other Financing Sources (Uses):				
Transfers In	<u>0</u>	<u>150,000</u>	<u>150,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>150,000</u>	<u>150,000</u>	<u>0</u>
Net Change in Fund Balance	(209,979)	(483,729)	780,074	1,263,803
Fund Balance at Beginning of Year	1,275,246	1,275,246	1,275,246	0
Prior Year Encumbrances	<u>373,275</u>	<u>373,275</u>	<u>373,275</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,438,542</u>	<u>\$ 1,164,792</u>	<u>\$ 2,428,595</u>	<u>\$ 1,263,803</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2023***

FIRE IMPACT-DISTRICT ONE FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 200,000	\$ 200,000	\$ 11,025	\$ (188,975)
Total Revenues	<u>200,000</u>	<u>200,000</u>	<u>11,025</u>	<u>(188,975)</u>
Expenditures:				
Security of Persons and Property:				
Capital Outlay	125,563	770,499	598,981	171,518
Debt Service:				
Principal Retirement	177,038	177,229	177,229	0
Interest and Fiscal Charges	4,894	4,956	4,956	0
Total Expenditures	<u>307,495</u>	<u>952,684</u>	<u>781,166</u>	<u>171,518</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(107,495)	(752,684)	(770,141)	(17,457)
Other Financing Sources (Uses):				
Other Financing Source - Lease	0	281,915	281,952	37
Total Other Financing Sources (Uses)	<u>0</u>	<u>281,915</u>	<u>281,952</u>	<u>37</u>
Net Change in Fund Balance	(107,495)	(470,769)	(488,189)	(17,420)
Fund Balance at Beginning of Year	659,273	659,273	659,273	0
Prior Year Encumbrances	563	563	563	0
Fund Balance at End of Year	<u>\$ 552,341</u>	<u>\$ 189,067</u>	<u>\$ 171,647</u>	<u>\$ (17,420)</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2023***

ETY ROAD TIF PROJECT FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 230,000	\$ 230,000	\$ 154,242	\$ (75,758)
Investment Earnings	0	0	1	1
Total Revenues	<u>230,000</u>	<u>230,000</u>	<u>154,243</u>	<u>(75,757)</u>
Expenditures:				
General Government:				
Operations and Maintenance	24,000	24,000	15,197	8,803
Debt Service:				
Principal Retirement	0	1,170,884	1,170,884	0
Interest and Fiscal Charges	0	38,136	38,136	0
Total Expenditures	<u>24,000</u>	<u>1,233,020</u>	<u>1,224,217</u>	<u>8,803</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	206,000	(1,003,020)	(1,069,974)	(66,954)
Other Financing Sources (Uses):				
General Obligation Notes Issued	0	1,170,884	1,074,520	(96,364)
Advances Out	(16,792)	(16,792)	(16,792)	0
Total Other Financing Sources (Uses)	<u>(16,792)</u>	<u>1,154,092</u>	<u>1,057,728</u>	<u>(96,364)</u>
Net Change in Fund Balance	189,208	151,072	(12,246)	(163,318)
Fund Balance at Beginning of Year	8,595	8,595	8,595	0
Prior Year Encumbrances	10,000	10,000	10,000	0
Fund Balance at End of Year	<u>\$ 207,803</u>	<u>\$ 169,667</u>	<u>\$ 6,349</u>	<u>\$ (163,318)</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2023***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Debt Service:				
Principal Retirement	0	720,000	720,000	0
Interest and Fiscal Charges	0	32,400	32,400	0
Total Expenditures	0	752,400	752,400	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(752,400)	(752,400)	0
Other Financing Sources (Uses):				
General Obligation Notes Issued	0	540,000	540,000	0
Transfers In	0	212,400	212,400	0
Total Other Financing Sources (Uses)	0	752,400	752,400	0
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 0	\$ 0

Internal Service Funds

These funds are used to account for the financing of goods or services provided by one department to other departments of the City, on a cost-reimbursement basis.

Utilities Collection Fund

To account for the operation of the utility collections department for services provided to the gas, water, water pollution and sanitation departments. The funds using the utility billing services are charged for the cost of operation.

Fuel Depot Fund

To account for the operation of the fuel depot for services provided for departments within the City and outside agencies that are exempt from the federal excise tax.

Information Services Fund

To account for the operation of the information services department for services provided for all departments within the City.

Health Insurance Management Fund

To account for the accumulation and allocation of costs associated with providing health care benefits to employees.

Environmental Engineering Fund

To account for the accumulation and allocation of costs associated with assisting other departments with environmental regulation and compliance.

CITY OF LANCASTER, OHIO

**Combining Statement of Net Position
Internal Service Funds
December 31, 2023**

	Utilities Collection	Fuel Depot	Information Services	Health Insurance Management
Assets:				
<i>Current Assets:</i>				
Cash and Cash Equivalents	\$ 349,601	\$ 336,140	\$ 905,116	\$ 4,593,498
Receivables:				
Accounts	751	16,832	1,116	0
Inventory of Supplies at Cost	1,510	24,405	5,665	0
Prepaid Items	945	0	5,548	0
Total Current Assets	352,807	377,377	917,445	4,593,498
<i>Non Current Assets:</i>				
Capital Assets Not Being Depreciated	0	0	161,943	0
Capital Assets Being Depreciated, Net	62,714	0	206,912	0
Total Non Current Assets	62,714	0	368,855	0
Total Assets	415,521	377,377	1,286,300	4,593,498
Deferred Outflows of Resources:				
Pension	578,271	0	231,603	0
OPEB	87,700	0	35,125	0
Total Deferred Outflows of Resources	665,971	0	266,728	0
Liabilities:				
<i>Current Liabilities:</i>				
Accounts Payable	26,529	136,835	19,889	12,910
Accrued Wages and Benefits	44,553	0	21,974	0
Claims Payable	0	0	0	328,819
Compensated Absences Payable - Current	18,982	0	5,992	0
Total Current Liabilities	90,064	136,835	47,855	341,729
<i>Long Term Liabilities:</i>				
Compensated Absences Payable	146,075	0	73,846	0
Net Pension Liability	1,397,809	0	559,837	0
Net OPEB Liability	29,601	0	11,856	0
Total Liabilities	1,663,549	136,835	693,394	341,729
Deferred Inflows of Resources:				
Pension	7,607	0	3,047	0
OPEB	9,763	0	3,910	0
Total Deferred Inflows of Resources	17,370	0	6,957	0
Net Position:				
Investment in Capital Assets	62,714	0	368,855	0
Unrestricted	(662,141)	240,542	483,822	4,251,769
Total Net Position	\$ (599,427)	\$ 240,542	\$ 852,677	\$ 4,251,769

CITY OF LANCASTER, OHIO

Environmental Engineering	Total
\$ 106,980	\$ 6,291,335
0	18,699
0	31,580
0	6,493
<u>106,980</u>	<u>6,348,107</u>
0	161,943
0	269,626
0	431,569
<u>106,980</u>	<u>6,779,676</u>
73,229	883,103
11,106	133,931
<u>84,335</u>	<u>1,017,034</u>
3,438	199,601
6,364	72,891
0	328,819
911	25,885
<u>10,713</u>	<u>627,196</u>
57,167	277,088
177,009	2,134,655
3,749	45,206
<u>248,638</u>	<u>3,084,145</u>
964	11,618
1,236	14,909
<u>2,200</u>	<u>26,527</u>
0	431,569
(59,523)	4,254,469
<u>\$ (59,523)</u>	<u>\$ 4,686,038</u>

CITY OF LANCASTER, OHIO

**Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended December 31, 2023**

	Utilities Collection	Fuel Depot	Information Services	Health Insurance Management
Operating Revenues:				
Charges for Services	\$ 1,547,573	\$ 1,157,061	\$ 799,160	\$ 9,319,854
Other Operating Revenue	41,243	24	2,436	0
Total Operating Revenues	1,588,816	1,157,085	801,596	9,319,854
Operating Expenses:				
Personal Services	1,235,377	0	443,574	0
Contractual Services	313,020	11,197	175,979	12,910
Materials and Supplies	143,137	1,229,178	31,247	0
Depreciation	16,665	0	37,865	0
Health Insurance Claims	0	0	0	8,235,077
Total Operating Expenses	1,708,199	1,240,375	688,665	8,247,987
Operating Income (Loss)	(119,383)	(83,290)	112,931	1,071,867
Nonoperating Revenue (Expenses):				
Intergovernmental Revenue	0	3,079	0	0
Total Nonoperating Revenues (Expenses)	0	3,079	0	0
Change in Net Position	(119,383)	(80,211)	112,931	1,071,867
Net Position Beginning of Year	(480,044)	320,753	739,746	3,179,902
Net Position End of Year	\$ (599,427)	\$ 240,542	\$ 852,677	\$ 4,251,769

CITY OF LANCASTER, OHIO

<u>Environmental Engineering</u>	<u>Total</u>
\$ 241,660	\$ 13,065,308
371	44,074
<u>242,031</u>	<u>13,109,382</u>
154,103	1,833,054
37,271	550,377
1,365	1,404,927
0	54,530
0	8,235,077
<u>192,739</u>	<u>12,077,965</u>
49,292	1,031,417
0	3,079
<u>0</u>	<u>3,079</u>
49,292	1,034,496
(108,815)	3,651,542
<u>\$ (59,523)</u>	<u>\$ 4,686,038</u>

CITY OF LANCASTER, OHIO

***Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2023***

	Utilities Collection	Fuel Depot	Information Services
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Interfund Services	\$1,588,065	\$1,183,833	\$802,430
Cash Payments for Goods and Services	(413,716)	(1,082,369)	(201,035)
Cash Payments to and on behalf of Employees	(1,013,738)	0	(400,866)
Cash Payments for Claims	0	0	0
Cash Payments for Interfund Services	(332,234)	0	(76,183)
Net Cash Provided (Used) by Operating Activities	<u>(171,623)</u>	<u>101,464</u>	<u>124,346</u>
<u>Cash Flows from Noncapital Financing Activities:</u>			
Intergovernmental Grants Received	0	3,079	0
Net Cash Provided by Noncapital Financing Activities	<u>0</u>	<u>3,079</u>	<u>0</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition and Construction of Assets	(50,538)	0	(23,116)
Net Cash Used by Capital and Related Financing Activities	<u>(50,538)</u>	<u>0</u>	<u>(23,116)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(222,161)	104,543	101,230
Cash and Cash Equivalents at Beginning of Year	571,762	231,597	803,886
Cash and Cash Equivalents at End of Year	<u>\$349,601</u>	<u>\$336,140</u>	<u>\$905,116</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</u>			
Operating Income (Loss)	(\$119,383)	(\$83,290)	\$112,931
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	16,665	0	37,865
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:			
(Increase) Decrease in Accounts Receivable	(751)	26,748	834
(Increase) Decrease in Inventory	1,954	21,624	(1,463)
(Increase) Decrease in Prepaid Items	690	0	(5,548)
Decrease in Net OPEB Asset	165,384	0	71,032
Increase in Deferred Outflows of Resources - Pension	(383,312)	0	(147,866)
Increase in Deferred Outflows of Resources - OPEB	(87,700)	0	(35,125)
Increase (Decrease) in Accounts Payable	(19,406)	136,382	11,301
Increase (Decrease) in Accrued Wages and Benefits	(2,655)	0	5,679
Increase in Compensated Absences	5,063	0	8,437
Increase in Net Pension Liability	935,624	0	361,324
Increase in Net OPEB Liability	29,601	0	11,856
Decrease in Deferred Outflows of Resources - Pension	(552,284)	0	(237,429)
Decrease in Deferred Outflows of Resources - OPEB	(161,113)	0	(69,482)
Increase in Claims Payable	0	0	0
Total Adjustments	<u>(52,240)</u>	<u>184,754</u>	<u>11,415</u>
Net Cash Provided (Used) by Operating Activities	<u>(\$171,623)</u>	<u>\$101,464</u>	<u>\$124,346</u>

CITY OF LANCASTER, OHIO

Health Insurance Management	Environmental Engineering	Totals
\$9,319,854	\$242,031	\$13,136,213
0	(44,031)	(1,741,151)
0	(127,769)	(1,542,373)
(8,206,820)	0	(8,206,820)
0	(24,480)	(432,897)
<u>1,113,034</u>	<u>45,751</u>	<u>1,212,972</u>
0	0	3,079
<u>0</u>	<u>0</u>	<u>3,079</u>
0	0	(73,654)
<u>0</u>	<u>0</u>	<u>(73,654)</u>
1,113,034	45,751	1,142,397
3,480,464	61,229	5,148,938
<u>\$4,593,498</u>	<u>\$106,980</u>	<u>\$6,291,335</u>
\$1,071,867	\$49,292	\$1,031,417
0	0	54,530
0	0	26,831
0	0	22,115
0	0	(4,858)
0	19,336	255,752
0	(50,436)	(581,614)
0	(11,106)	(133,931)
12,910	(5,487)	135,700
0	501	3,525
0	164	13,664
0	122,974	1,419,922
0	3,749	45,206
0	(64,494)	(854,207)
0	(18,742)	(249,337)
<u>28,257</u>	<u>0</u>	<u>28,257</u>
<u>41,167</u>	<u>(3,541)</u>	<u>181,555</u>
<u>\$1,113,034</u>	<u>\$45,751</u>	<u>\$1,212,972</u>



Fiduciary Funds

Fiduciary fund types are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

Custodial Funds

Municipal Court Fund

Established to account for monies that flow through the Clerk of Courts Office.

Law Library Fund

Established to account for accumulation and distribution of resources for the law library.

CITY OF LANCASTER, OHIO

**Combining Statement of Net Position
Fiduciary Funds
December 31, 2023**

	Municipal Court	Law Library	Total Custodial Funds
Assets:			
Cash and Cash Equivalents	\$ 250,674	\$ 0	\$ 250,674
Receivables:			
Intergovernmental	0	1,943	1,943
Total Assets	<u>250,674</u>	<u>1,943</u>	<u>252,617</u>
Liabilities:			
Intergovernmental Payable	0	1,943	1,943
Total Liabilities	<u>0</u>	<u>1,943</u>	<u>1,943</u>
Net Position:			
Restricted For:			
Individuals, Organizations and Other Governments	250,674	0	250,674
Total Net Position	<u>\$ 250,674</u>	<u>\$ 0</u>	<u>\$ 250,674</u>

CITY OF LANCASTER, OHIO

**Combining Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended December 31, 2023**

	Municipal Court	Law Library	Total Custodial Funds
Additions:			
Fines and Forfeiture Collections for Others	\$ 2,930,835	\$ 34,052	\$ 2,964,887
Total Additions	<u>2,930,835</u>	<u>34,052</u>	<u>2,964,887</u>
Deductions:			
Distribution of Fines and Forfeitures to Others	2,919,998	34,052	2,954,050
Total Deductions	<u>2,919,998</u>	<u>34,052</u>	<u>2,954,050</u>
Change in Net Position	10,837	0	10,837
Net Position at Beginning of Year	<u>239,837</u>	<u>0</u>	<u>239,837</u>
Net Position End of Year	<u>\$ 250,674</u>	<u>\$ 0</u>	<u>\$ 250,674</u>



STATISTICAL SECTION



STATISTICAL TABLES

This part of the City’s annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health.

Contents

Financial Trends	S 2 – S 13
These schedules contain trend information to help the reader understand how the City's financial position has changed over time.	
Revenue Capacity	S 14 – S 17
These schedules contain information to help the reader understand and assess the factors affecting the City's ability to generate its most significant local revenue source which is income tax.	
Debt Capacity	S 18 – S 27
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Economic and Demographic Information	S 28 – S 31
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	
Operating Information	S 32 – S 39
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	
Sources Note:	
Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.	

City of Lancaster, Ohio

Net Position by Component
Last Ten Years
(accrual basis of accounting)

	Restated 2014	2015	2016	Restated 2017
Governmental Activities:				
Net Investment in Capital Assets	\$38,638,721	\$41,576,482	\$44,062,621	\$46,837,859
Restricted	11,237,072	11,077,774	10,154,360	9,467,802
Unrestricted	(18,847,439)	(17,997,524)	(19,731,872)	(49,496,982)
Total Governmental Activities Net Position	<u>\$31,028,354</u>	<u>\$34,656,732</u>	<u>\$34,485,109</u>	<u>\$6,808,679</u>
Business-type Activities:				
Net Investment in Capital Assets	\$46,787,496	\$54,167,749	\$59,487,303	\$62,067,035
Restricted	2,469,033	2,469,078	2,342,642	2,351,745
Unrestricted (Deficit)	(53,909,879)	(56,322,159)	(53,545,337)	(54,965,234)
Total Business-type Activities Net Position	<u>(\$4,653,350)</u>	<u>\$314,668</u>	<u>\$8,284,608</u>	<u>\$9,453,546</u>
Primary Government:				
Net Investment in Capital Assets	\$85,426,217	\$95,744,231	\$103,549,924	\$108,904,894
Restricted	13,706,105	13,546,852	12,497,002	11,819,547
Unrestricted	(72,757,318)	(74,319,683)	(73,277,209)	(104,462,216)
Total Primary Government Net Position	<u>\$26,375,004</u>	<u>\$34,971,400</u>	<u>\$42,769,717</u>	<u>\$16,262,225</u>

Source: City Auditor's Office

City of Lancaster, Ohio

2018	2019	2020	2021	2022	2023
\$49,673,604	\$52,330,007	\$54,184,923	\$58,885,098	\$62,227,835	\$63,422,894
10,031,606	11,332,790	11,217,660	16,744,795	22,072,597	24,206,047
(56,187,581)	(41,543,274)	(38,771,180)	(26,936,470)	(18,369,145)	(11,875,135)
<u>\$3,517,629</u>	<u>\$22,119,523</u>	<u>\$26,631,403</u>	<u>\$48,693,423</u>	<u>\$65,931,287</u>	<u>\$75,753,806</u>
\$66,438,543	\$71,050,827	\$78,086,549	\$84,187,043	\$91,055,634	\$98,344,387
2,372,321	2,379,486	2,345,297	1,992,264	2,076,467	2,237,710
(52,187,952)	(61,651,825)	(72,033,765)	(74,444,243)	(76,397,897)	(81,985,669)
<u>\$16,622,912</u>	<u>\$11,778,488</u>	<u>\$8,398,081</u>	<u>\$11,735,064</u>	<u>\$16,734,204</u>	<u>\$18,596,428</u>
\$116,112,147	\$123,380,834	\$132,271,472	\$143,072,141	\$153,283,469	\$161,767,281
12,403,927	13,712,276	13,562,957	18,737,059	24,149,064	26,443,757
(108,375,533)	(103,195,099)	(110,804,945)	(101,380,713)	(94,767,042)	(93,860,804)
<u>\$20,140,541</u>	<u>\$33,898,011</u>	<u>\$35,029,484</u>	<u>\$60,428,487</u>	<u>\$82,665,491</u>	<u>\$94,350,234</u>

City of Lancaster, Ohio

Changes in Net Position Last Ten Years (accrual basis of accounting)

	2014	2015	2016	2017
Expenses				
Governmental Activities:				
Security of Persons and Property	\$16,849,215	\$17,702,358	\$19,853,945	\$19,504,799
Public Health and Welfare Services	785,007	1,232,576	855,731	903,382
Leisure Time Activities	2,256,990	2,135,524	2,336,363	2,490,616
Community Environment	873,446	725,687	995,091	821,972
Transportation	6,817,662	6,477,311	6,887,838	6,897,020
General Government	7,840,741	7,927,531	8,712,430	10,430,660
Interest and Fiscal Charges	416,240	517,344	505,547	482,033
<i>Total Governmental Activities Expenses</i>	<u>35,839,301</u>	<u>36,718,331</u>	<u>40,146,945</u>	<u>41,530,482</u>
Business-type Activities:				
Gas	15,574,440	13,583,412	11,271,767	13,411,673
Water	8,468,594	8,163,396	8,100,342	8,455,739
Water Pollution	9,729,438	9,087,256	9,565,843	9,597,039
Sanitation	3,274,326	3,226,109	3,274,150	3,871,760
Storm Water	1,807,062	1,974,803	1,778,616	2,561,602
Port Authority	17,208,616	6,638,568	6,265,348	6,168,445
<i>Total Business-type Activities Expenses</i>	<u>56,062,476</u>	<u>42,673,544</u>	<u>40,256,066</u>	<u>44,066,258</u>
<i>Total Primary Government Expenses</i>	<u>\$91,901,777</u>	<u>\$79,391,875</u>	<u>\$80,403,011</u>	<u>\$85,596,740</u>
Program Revenues				
Governmental Activities:				
Charges for Services				
Security of Persons and Property	\$2,231,913	\$2,195,779	\$2,214,724	\$2,306,416
Public Health and Welfare Services	230,884	206,503	216,640	231,257
Leisure Time Activities	502,389	346,570	369,206	388,952
Community Environment	77,256	75,115	79,245	72,519
Transportation	1,378,452	1,414,529	1,289,483	1,537,874
General Government	3,111,858	2,903,193	2,784,562	2,724,061
Operating Grants and Contributions	4,791,064	5,063,305	4,697,405	4,626,308
Capital Grants and Contributions	4,326,483	1,223,675	863,655	1,455,314
<i>Total Governmental Activities Program Revenues</i>	<u>16,650,299</u>	<u>13,428,669</u>	<u>12,514,920</u>	<u>13,342,701</u>

City of Lancaster, Ohio

2018	2019	2020	2021	2022	2023
\$22,136,304	\$1,799,062	\$20,807,024	\$19,210,651	\$19,986,940	\$27,380,825
893,040	955,434	908,121	725,083	1,077,611	972,475
2,532,518	2,879,347	2,246,039	1,858,571	2,551,602	3,500,079
840,623	1,055,812	929,581	1,044,872	1,222,792	1,502,294
7,252,943	7,809,758	8,335,716	5,085,549	6,374,770	7,982,001
10,154,186	10,973,019	10,736,341	6,382,205	8,979,014	12,975,626
493,076	483,957	467,415	415,685	407,409	396,059
<u>44,302,690</u>	<u>25,956,389</u>	<u>44,430,237</u>	<u>34,722,616</u>	<u>40,600,138</u>	<u>54,709,359</u>
12,324,393	13,986,387	10,832,957	13,193,322	17,814,214	15,197,827
8,152,728	9,448,889	8,338,909	5,855,954	6,611,260	7,759,856
10,539,850	9,117,280	9,454,081	7,706,479	8,208,115	9,444,559
4,961,644	4,640,674	4,121,258	2,869,401	3,673,774	4,437,631
2,613,555	2,500,991	2,366,316	1,745,749	1,827,856	2,296,851
5,806,494	15,048,563	16,295,697	18,284,964	23,289,484	14,887,113
<u>44,398,664</u>	<u>54,742,784</u>	<u>51,409,218</u>	<u>49,655,869</u>	<u>61,424,703</u>	<u>54,023,837</u>
<u>\$88,701,354</u>	<u>\$80,699,173</u>	<u>\$95,839,455</u>	<u>\$84,378,485</u>	<u>\$102,024,841</u>	<u>\$108,733,196</u>
\$2,221,015	\$2,530,566	\$2,361,458	\$2,576,228	\$2,587,905	\$2,486,791
253,543	229,398	232,990	313,816	225,289	329,355
453,724	554,954	227,714	623,329	691,677	587,616
76,987	69,616	77,264	78,665	75,989	84,865
1,252,681	1,319,871	981,977	985,332	1,132,763	1,274,191
2,861,278	3,068,730	2,609,556	2,752,074	2,903,685	2,951,695
6,463,567	5,736,348	10,536,359	7,640,862	6,744,353	7,416,566
412,042	324,419	492,066	3,672,971	1,242,533	692,046
<u>13,994,837</u>	<u>13,833,902</u>	<u>17,519,384</u>	<u>18,643,277</u>	<u>15,604,194</u>	<u>15,823,125</u>

(continued)

City of Lancaster, Ohio

Changes in Net Position Last Ten Years (accrual basis of accounting)

	2014	2015	2016	2017
Business-type Activities:				
Charges for Services				
Gas	17,597,507	14,060,793	12,419,202	13,346,170
Water	7,991,000	8,229,806	8,645,087	8,947,621
Water Pollution	11,278,415	11,442,588	12,175,681	12,599,473
Sanitation	3,655,721	3,767,681	3,914,303	3,839,528
Storm Water	3,000,829	3,015,638	3,041,305	2,892,094
Port Authority	9,474,189	5,672,858	5,290,812	6,529,140
Operating Grants and Contributions	149,107	203,559	1,647,722	1,107,583
Capital Grants and Contributions	0	1,248,639	1,082,611	633,684
<i>Total Business-type Activities Program Revenues</i>	<i>53,146,768</i>	<i>47,641,562</i>	<i>48,216,723</i>	<i>49,895,293</i>
<i>Total Primary Government Program Revenues</i>	<i>69,797,067</i>	<i>61,070,231</i>	<i>60,731,643</i>	<i>63,237,994</i>
Net (Expense)/Revenue				
Governmental Activities	(19,189,002)	(23,289,662)	(27,632,025)	(28,187,781)
Business-type Activities	(2,915,708)	4,968,018	7,960,657	5,829,035
<i>Total Primary Government Net (Expense)/Revenue</i>	<i>(\$22,104,710)</i>	<i>(\$18,321,644)</i>	<i>(\$19,671,368)</i>	<i>(\$22,358,746)</i>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes Levied for:				
General Purposes	\$1,769,125	\$1,768,791	\$1,746,676	\$1,886,173
Special Purposes	2,530,507	2,288,683	2,247,405	2,387,133
Debt Service	331,119	331,769	330,869	334,119
Capital Outlay	157,845	175,432	247,126	129,768
Income Taxes	18,135,381	19,459,814	20,293,739	19,528,225
Other Local Taxes	624,904	644,847	621,499	683,298
Intergovernmental Revenue/				
Contributions, Unrestricted	1,468,722	1,519,113	1,261,622	1,260,634
Investment Earnings	328,271	302,372	130,686	431,605
Miscellaneous	585,543	427,219	590,063	724,771
Transfers	0	0	(9,283)	0
<i>Total Governmental Activities</i>	<i>25,931,417</i>	<i>26,918,040</i>	<i>27,460,402</i>	<i>27,365,726</i>
Business-type Activities:				
Special Item	0	0	0	0
Investment Earnings	0	0	0	0
Transfers	0	0	9,283	0
<i>Total Business-type Activities</i>	<i>0</i>	<i>0</i>	<i>9,283</i>	<i>0</i>
<i>Total Primary Government</i>	<i>\$25,931,417</i>	<i>\$26,918,040</i>	<i>\$27,469,685</i>	<i>\$27,365,726</i>
Change in Net Position				
Governmental Activities	\$6,742,415	\$3,628,378	(\$171,623)	(\$822,055)
Business-type Activities	(2,915,708)	4,968,018	7,969,940	5,829,035
<i>Total Primary Government Change in Net Position</i>	<i>\$3,826,707</i>	<i>\$8,596,396</i>	<i>\$7,798,317</i>	<i>\$5,006,980</i>

City of Lancaster, Ohio

2018	2019	2020	2021	2022	2023
14,177,606	12,876,071	11,744,347	14,339,436	20,777,648	17,717,519
8,791,515	8,828,660	9,351,767	8,989,994	9,866,668	9,551,980
12,336,673	12,533,969	12,611,471	12,187,323	13,086,788	12,605,619
4,045,384	4,219,316	4,377,576	4,526,303	4,721,194	4,794,013
3,031,541	3,274,242	3,091,294	3,139,944	3,113,149	3,115,931
6,244,520	5,031,902	3,645,317	7,325,749	12,609,224	4,182,794
2,630,791	899,748	486,293	1,065,156	0	461,132
310,000	127,606	40,663	1,377,947	3,105,596	1,607,608
<u>51,568,030</u>	<u>47,791,514</u>	<u>45,348,728</u>	<u>52,951,852</u>	<u>67,280,267</u>	<u>54,036,596</u>
<u>65,562,867</u>	<u>61,625,416</u>	<u>62,868,112</u>	<u>71,595,129</u>	<u>82,884,461</u>	<u>69,859,721</u>
(30,307,853)	(12,122,487)	(26,910,853)	(16,079,339)	(24,995,944)	(38,886,234)
<u>7,169,366</u>	<u>(6,951,270)</u>	<u>(6,060,490)</u>	<u>3,295,983</u>	<u>5,855,564</u>	<u>12,759</u>
<u>(\$23,138,487)</u>	<u>(\$19,073,757)</u>	<u>(\$32,971,343)</u>	<u>(\$12,783,356)</u>	<u>(\$19,140,380)</u>	<u>(\$38,873,475)</u>
\$1,798,528	\$1,825,529	\$2,106,171	\$2,237,953	\$2,128,621	\$2,660,554
2,281,700	2,305,255	2,459,283	2,620,804	2,465,959	2,735,992
121,369	118,481	120,331	117,031	118,594	0
90,393	110,050	123,071	113,002	108,886	154,242
19,526,066	20,977,070	20,733,365	30,503,110	35,351,543	36,927,197
478,311	664,742	622,615	630,640	703,982	639,568
1,520,356	2,757,540	1,587,080	1,816,233	1,896,753	1,739,249
559,647	1,067,622	679,766	(220,389)	(1,347,221)	2,732,670
640,433	898,092	3,339,108	363,975	728,691	1,041,281
0	0	(348,057)	(41,000)	78,000	78,000
<u>27,016,803</u>	<u>30,724,381</u>	<u>31,422,733</u>	<u>38,141,359</u>	<u>42,233,808</u>	<u>48,708,753</u>
0	2,106,846	2,332,026	0	0	0
0	0	0	0	(778,424)	1,927,465
0	0	348,057	41,000	(78,000)	(78,000)
0	2,106,846	2,680,083	41,000	(856,424)	1,849,465
<u>\$27,016,803</u>	<u>\$32,831,227</u>	<u>\$34,102,816</u>	<u>\$38,182,359</u>	<u>\$41,377,384</u>	<u>\$50,558,218</u>
(\$3,291,050)	\$18,601,894	\$4,511,880	\$22,062,020	\$17,237,864	\$9,822,519
<u>7,169,366</u>	<u>(4,844,424)</u>	<u>(3,380,407)</u>	<u>3,336,983</u>	<u>4,999,140</u>	<u>1,862,224</u>
<u>\$3,878,316</u>	<u>\$13,757,470</u>	<u>\$1,131,473</u>	<u>\$25,399,003</u>	<u>\$22,237,004</u>	<u>\$11,684,743</u>

City of Lancaster, Ohio

*Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Fund				
Nonspendable	\$184,142	\$186,934	\$232,405	\$140,780
Assigned	1,335,785	1,358,651	1,303,159	2,987,873
Unassigned	<u>5,482,881</u>	<u>5,684,567</u>	<u>6,518,690</u>	<u>5,069,422</u>
<i>Total General Fund</i>	<u>7,002,808</u>	<u>7,230,152</u>	<u>8,054,254</u>	<u>8,198,075</u>
All Other Governmental Funds				
Nonspendable	3,018,879	2,974,874	1,392,532	1,305,960
Restricted	13,494,830	7,070,766	8,185,382	7,080,577
Committed	1,965,953	2,006,007	2,041,240	2,177,475
Assigned	0	0	0	0
Unassigned	<u>(1,805,141)</u>	<u>(2,158,940)</u>	<u>(3,430,546)</u>	<u>(3,183,154)</u>
Total All Other Governmental Funds	<u>16,674,521</u>	<u>9,892,707</u>	<u>8,188,608</u>	<u>7,380,858</u>
<i>Total Governmental Funds</i>	<u>\$23,677,329</u>	<u>\$17,122,859</u>	<u>\$16,242,862</u>	<u>\$15,578,933</u>

Source: City Auditor's Office

City of Lancaster, Ohio

2018	2019	2020	2021	2022	2023
\$144,510	\$141,819	\$153,194	\$140,830	\$319,327	\$158,937
1,463,374	1,322,697	171,498	4,676,463	3,503,063	2,848,524
5,618,519	6,349,751	11,645,299	10,131,790	12,806,532	19,862,917
<u>7,226,403</u>	<u>7,814,267</u>	<u>11,969,991</u>	<u>14,949,083</u>	<u>16,628,922</u>	<u>22,870,378</u>
1,364,716	333,337	363,398	378,178	1,000,793	360,832
7,567,853	10,135,924	11,095,229	14,545,166	18,442,353	21,430,535
2,270,690	2,450,773	2,585,119	3,900,469	4,394,186	6,288,312
0	0	0	0	200,000	275,000
<u>(2,971,594)</u>	<u>(2,734,927)</u>	<u>(2,483,759)</u>	<u>(2,241,888)</u>	<u>(1,998,421)</u>	<u>(1,715,414)</u>
<u>8,231,665</u>	<u>10,185,107</u>	<u>11,559,987</u>	<u>16,581,925</u>	<u>22,038,911</u>	<u>26,639,265</u>
<u>\$15,458,068</u>	<u>\$17,999,374</u>	<u>\$23,529,978</u>	<u>\$31,531,008</u>	<u>\$38,667,833</u>	<u>\$49,509,643</u>

City of Lancaster, Ohio

*Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	2014	2015	2016	2017
Revenues:				
Taxes	\$22,629,962	\$23,802,285	\$25,039,914	\$24,444,584
Intergovernmental Revenues	10,402,482	7,574,806	6,146,543	6,718,005
Charges for Services	5,376,488	5,163,513	5,205,674	5,368,744
Licenses and Permits	30,544	24,527	21,640	19,345
Investment Earnings	322,355	281,853	138,918	441,291
Special Assessments	116,689	112,508	120,658	109,350
Fines and Forfeitures	2,339,400	2,338,992	2,011,572	2,223,888
Donations	0	0	0	0
All Other Revenue	770,866	395,121	599,899	740,648
Total Revenue	41,988,786	39,693,605	39,284,818	40,065,855
Expenditures:				
Current:				
Security of Persons and Property	16,387,166	16,760,874	17,243,275	17,646,731
Public Health and Welfare Services	791,543	1,249,017	822,750	905,566
Leisure Time Activities	1,994,089	1,847,968	1,912,169	2,152,419
Community Environment	884,703	724,103	982,147	785,013
Transportation	6,722,387	7,635,265	6,911,218	7,592,879
General Government	8,216,413	7,579,778	8,526,437	8,867,751
Capital Outlay	6,324,867	8,961,855	2,399,353	1,492,592
Debt Service:				
Principal Retirement	1,390,042	1,358,335	1,226,164	1,262,897
Interest and Fiscal Charges	395,077	521,659	501,561	478,803
Total Expenditures	43,106,287	46,638,854	40,525,074	41,184,651
Excess (Deficiency) of Revenues Over Expenditures	(1,117,501)	(6,945,249)	(1,240,256)	(1,118,796)

City of Lancaster, Ohio

2018	2019	2020	2021	2022	2023
\$24,544,397	\$25,350,871	\$25,708,543	\$34,580,944	\$39,221,544	\$43,149,624
8,040,780	7,315,696	12,181,964	9,510,641	9,564,304	9,878,055
5,110,981	5,619,741	4,911,515	5,602,220	5,642,657	6,075,365
21,511	23,235	35,805	55,551	58,253	38,412
557,479	1,044,249	701,163	(220,279)	(1,359,619)	2,753,097
117,219	104,100	115,648	111,606	75,681	84,641
2,273,587	2,466,185	1,900,619	1,937,884	2,227,456	2,055,132
0	1,324,575	0	0	0	0
668,267	897,279	3,391,697	491,847	767,038	1,081,799
<u>41,334,221</u>	<u>44,145,931</u>	<u>48,946,954</u>	<u>52,070,414</u>	<u>56,197,314</u>	<u>65,116,125</u>
18,117,157	18,732,982	18,852,844	20,227,200	21,851,543	24,966,040
848,159	907,678	892,387	872,967	1,166,519	1,082,639
2,010,682	2,184,273	1,987,952	2,273,985	3,038,641	3,274,364
799,357	968,318	878,652	1,240,148	1,330,242	1,500,471
7,247,162	7,674,236	7,921,027	8,268,546	9,199,264	8,374,827
8,504,140	8,317,600	8,983,268	9,116,933	10,406,044	12,232,658
2,287,025	2,157,622	2,017,312	790,391	1,329,874	1,332,874
1,177,763	1,368,026	1,117,957	1,193,411	1,177,106	1,085,506
488,754	480,456	463,370	412,359	386,506	403,395
<u>41,480,199</u>	<u>42,791,191</u>	<u>43,114,769</u>	<u>44,395,940</u>	<u>49,885,739</u>	<u>54,252,774</u>
(145,978)	1,354,740	5,832,185	7,674,474	6,311,575	10,863,351

(Continued)

City of Lancaster, Ohio

*Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	0	0
State Infrastructure Bank Loan	0	0	0	0
Other Financing Sources - Capital Leases	423,428	469,044	244,069	625,000
Ohio Public Works Commission Loan	0	0	210,428	0
General Obligation Bonds Issued	9,350,000	0	0	0
Premium on General Obligation Bonds	127,150	0	0	0
Refunding General Obligation Bonds Issued	2,380,000	0	0	0
Premium on Refunding General Obligation Bonds	38,212	0	0	0
Payment to Refunded Bond Escrow Agent	(2,359,891)	0	0	0
Installment Loan	0	0	0	0
Transfers In	11,404,518	11,887,104	11,523,088	11,847,598
Transfers Out	(11,469,006)	(11,951,592)	(11,664,159)	(11,924,017)
Total Other Financing Sources (Uses)	<u>9,894,411</u>	<u>404,556</u>	<u>313,426</u>	<u>548,581</u>
Net Change in Fund Balance	<u>\$8,776,910</u>	<u>(\$6,540,693)</u>	<u>(\$926,830)</u>	<u>(\$570,215)</u>
Debt Service as a Percentage of Noncapital Expenditures	4.95%	5.33%	4.75%	4.65%

Source: City Auditor's Office

City of Lancaster, Ohio

2018	2019	2020	2021	2022	2023
0	0	0	82,892	0	0
0	217,587	6,528	0	0	0
0	986,000	0	282,000	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	650,000	0
13,788,372	13,023,384	2,554,327	2,188,278	2,755,466	2,755,604
(13,790,372)	(13,025,884)	(2,902,384)	(2,229,278)	(2,687,466)	(2,677,604)
(2,000)	1,201,087	(341,529)	323,892	718,000	78,000
(\$147,978)	\$2,555,827	\$5,490,656	\$7,998,366	\$7,029,575	\$10,941,351
4.47%	4.79%	4.00%	3.96%	3.53%	2.99%

City of Lancaster, Ohio

*Income Tax Revenues by Source, Governmental Funds
Last Ten Years*

Tax year	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Income Tax Rate	1.75%	1.75%	1.75%	1.75%
Estimated Personal Income (in thousands)	\$1,566,749	\$1,595,603	\$1,675,569	\$1,760,445
Total Tax Collected	\$17,809,533	\$18,672,494	\$20,100,001	\$19,944,236
Income Tax Receipts				
Withholding	13,883,166	14,439,064	15,248,970	15,278,799
Percentage	77.96%	77.34%	75.88%	76.62%
Corporate	1,897,976	2,067,737	2,444,653	2,413,546
Percentage	10.66%	11.07%	12.16%	12.10%
Individuals	2,028,391	2,165,693	2,406,378	2,251,891
Percentage	11.38%	11.59%	11.96%	11.28%

Source: City Income Tax Department

Credit is given for tax paid to city of employment up to a maximum of 1.0%

City of Lancaster, Ohio

2018	2019	2020	2021	2022	2023
1.75%	1.75%	1.75%	2.20%	2.20%	2.30%
\$1,857,432	\$1,889,057	\$2,071,952	\$2,074,356	\$2,527,691	\$2,183,602
\$19,964,681	\$20,823,359	\$20,751,089	\$28,452,710	\$33,031,456	\$37,858,328
15,737,489	16,084,541	16,477,967	22,094,648	25,317,669	28,752,961
78.83%	77.24%	79.41%	77.65%	76.65%	75.95%
1,974,128	2,179,517	1,974,049	3,468,436	3,883,875	4,657,500
9.89%	10.47%	9.51%	12.19%	11.76%	12.30%
2,253,064	2,559,301	2,299,073	2,889,626	3,829,912	4,447,867
11.28%	12.29%	11.08%	10.16%	11.59%	11.75%



City of Lancaster, Ohio

*Income Tax Collections
Current Year and Nine Years Ago*

Calendar Year 2023				
Income Tax Filers	Number of Filers	Percent of Total	Income Tax Collections	Percent of Income
Top Ten	10	0.11%	\$8,962,323	23.67%
All Others	8,990	99.89%	28,896,005	76.33%
Total	9,000	100.00%	\$37,858,328	100.00%

Calendar Year 2014				
Income Tax Filers	Number of Filers	Percent of Total	Income Tax Collections	Percent of Income
Top Ten	10	0.10%	\$5,087,261	28.56%
All Others	9,673	99.90%	12,722,272	71.44%
Total	9,683	100.00%	\$17,809,533	100.00%

Source: City Income Tax Department

City of Lancaster, Ohio

Ratio of Outstanding Debt By Type Last Ten Years

	2014	2015	2016	2017
Governmental Activities ⁽¹⁾				
Housing and Urban Development Loan Payable	\$220,000	\$130,000	\$40,000	\$0
Ohio Public Works Commission Loan Payable	39,560	33,474	240,859	192,686
Ohio Water Development Authority Loans Payable	346,088	329,941	313,264	296,041
Special Assessment Bonds Payable	171,000	150,000	128,000	99,050
General Obligation Bonds Payable	13,177,942	12,369,244	11,541,185	10,688,126
State Infrastructure Bank Loan Payable	159,592	0	0	0
Installment Loan Payable	1,825,522	1,790,370	1,519,878	1,613,850
Business-type Activities ⁽¹⁾				
Ohio Water Development Authority Loans Payable	\$47,606,083	\$43,497,740	\$39,590,748	\$36,000,351
Ohio Public Works Commission Loan Payable	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
Revenue Bonds Payable	347,855,825	334,188,997	321,226,153	306,054,973
Long-Term Notes Payable	0	0	0	0
Installment Loan Payable	233,665	165,790	1,158,017	1,060,429
Total Primary Government	<u>\$411,635,277</u>	<u>\$392,655,556</u>	<u>\$375,758,104</u>	<u>\$356,005,506</u>
Population ⁽²⁾				
City of Lancaster	38,854	38,780	39,848	39,848
Outstanding Debt Per Capita	\$10,594	\$10,125	\$9,430	\$8,934
Income ⁽³⁾				
Personal (in thousands)	1,566,749	1,595,603	1,675,569	1,760,445
Percentage of Personal Income	26.27%	24.61%	22.43%	20.22%

Sources:

- (1) Source: City Auditor's Office
- (2) Fairfield County Economic Development website using the Ohio Dept of Taxation Census Population estimates (2014-2018) the U.S. Census Department estimates (2019-2023)
- (3) US Department of Commerce, Bureau of Economic Analysis
 - (a) Per Capita Income is only available by County, Total Personal Income is a calculation

City of Lancaster, Ohio

2018	2019	2020	2021	2022	2023
\$0	\$0	\$0	\$0	\$0	\$0
144,514	96,343	72,257	0	0	0
278,254	259,884	240,912	221,319	201,083	180,185
80,500	0	0	0	0	0
10,035,067	9,382,008	8,703,949	8,020,890	7,322,831	6,714,770
0	217,587	224,115	198,932	172,987	146,259
1,151,158	1,554,682	1,148,661	1,028,577	1,237,652	799,772
\$33,301,643	\$30,055,009	\$30,079,620	\$31,811,287	\$48,747,533	\$90,203,988
152,634	346,223	328,912	276,979	242,357	207,735
0	0	0	0	0	3,100,000
290,378,793	363,624,346	359,498,900	353,033,727	348,976,373	344,799,019
0	0	0	1,500,000	1,475,000	975,000
290,368	222,068	151,844	80,449	219,450	179,022
<u>\$335,812,931</u>	<u>\$405,758,150</u>	<u>\$400,449,170</u>	<u>\$396,172,160</u>	<u>\$408,595,266</u>	<u>\$447,305,750</u>
40,280	39,942	40,505	40,552	41,000	41,422
\$8,337	\$10,159	\$9,886	\$9,769	\$9,966	\$10,799
1,857,432	1,889,057	2,071,952	2,074,356	2,527,691	2,183,602
18.08%	21.48%	19.33%	19.10%	16.16%	20.48%

City of Lancaster, Ohio

*Ratios of General Bonded Debt Outstanding
Last Ten Years*

Year	2014	2015	2016	2017
Population ⁽¹⁾	38,854	38,780	39,848	39,848
Assessed Value ⁽²⁾	\$722,645,450	\$719,521,390	\$722,023,270	\$740,245,390
General Bonded Debt ⁽³⁾				
General Obligation Bonds	\$13,177,942	\$12,369,244	\$11,541,185	\$10,688,126
Resources Available to Pay Principal ⁽⁴⁾	\$0	\$11,869	\$0	\$0
Net General Bonded Debt	\$13,177,942	\$12,357,375	\$11,541,185	\$10,688,126
Ratio of Net Bonded Debt to Assessed Value	1.82%	1.72%	1.60%	1.44%
Net Bonded Debt per Capita	\$339.17	\$318.65	\$289.63	\$268.22

Source:

- (1) Fairfield County Economic Development website using the Ohio Dept of Taxation Census Population estimates (2014-2018) the U.S. Census Department estimates (2019-2023)
- (2) Fairfield County Auditor
- (3) Includes all general obligation bonded debt supported by property taxes.
- (4) Includes only Debt Service funds available for general obligation bonded debt supported by property taxes.

City of Lancaster, Ohio

2018	2019	2020	2021	2022	2023
40,280	39,942	40,505	40,552	41,000	41,422
\$737,217,750	\$745,389,440	\$843,415,140	\$851,347,650	\$875,438,160	\$1,051,418,450
\$10,035,067	\$9,382,008	\$8,703,949	\$8,020,890	\$7,322,831	\$6,714,770
\$0	\$0	\$0	\$0	\$0	\$0
\$10,035,067	\$9,382,008	\$8,703,949	\$8,020,890	\$7,322,831	\$6,714,770
1.36%	1.26%	1.03%	0.94%	0.84%	0.64%
\$249.13	\$234.89	\$214.89	\$197.79	\$178.61	\$162.11



City of Lancaster, Ohio

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2023*

<u>Jurisdiction</u>		<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to the City of Lancaster</u>	<u>Amount Applicable to the City of Lancaster</u>
Direct:				
City of Lancaster	(1)	\$7,840,986	100.00%	\$7,840,986
Overlapping:				
Lancaster City School District	(2)	148,117,428	79.85%	118,271,766
Fairfield County	(3)	33,958,685	18.83%	<u>6,394,420</u>
			Subtotal	<u>124,666,186</u>
			Total	<u><u>\$132,507,172</u></u>

Source:

- (1) City Auditor's Office
- (2) Lancaster City School District, as of June 30, 2023, the District's fiscal year end.
- (3) Fairfield County Auditor -Annual Comprehensive Financial Report

Percentages determined by dividing each overlapping subdivisions' assessed valuation within the City by the subdivisions' total assessed valuation.

City of Lancaster, Ohio

*Debt Limitations
Last Ten Years*

Collection Year	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Total Debt				
Net Assessed Valuation	\$722,645,450	\$719,521,390	\$722,023,270	\$740,245,390
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	75,877,772	75,549,746	75,812,443	77,725,766
City Debt Outstanding (2)	13,177,942	12,369,244	11,541,185	10,688,126
Less: Applicable Debt Service Fund Amounts	0	(11,869)	0	0
Net Indebtedness Subject to Limitation	<u>13,177,942</u>	<u>12,357,375</u>	<u>11,541,185</u>	<u>10,688,126</u>
Overall Legal Debt Margin	<u><u>\$62,699,830</u></u>	<u><u>\$63,192,371</u></u>	<u><u>\$64,271,258</u></u>	<u><u>\$67,037,640</u></u>
Unvoted Debt				
Net Assessed Valuation	\$722,645,450	\$719,521,390	\$722,023,270	\$740,245,390
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	39,745,500	39,573,676	39,711,280	40,713,496
City Debt Outstanding (2)	13,177,942	12,369,244	11,541,185	10,688,126
Less: Applicable Debt Service Fund Amounts	0	(11,869)	0	0
Net Indebtedness Subject to Limitation	<u>13,177,942</u>	<u>12,357,375</u>	<u>11,541,185</u>	<u>10,688,126</u>
Overall Legal Debt Margin	<u><u>\$26,567,558</u></u>	<u><u>\$27,216,301</u></u>	<u><u>\$28,170,095</u></u>	<u><u>\$30,025,370</u></u>

(1) Direct Debt Limitation based upon Section 133, The Uniform Bond Act of the Ohio Revised Code.

(2) City Debt Outstanding includes Non Self-Supporting General Obligation Bonds and Notes only.
Enterprise Debt is not considered in the computation of the Legal Debt Margin.

Source: City Auditor's Office

City of Lancaster, Ohio

2018	2019	2020	2021	2022	2023
\$737,217,750	\$745,389,440	\$843,415,140	\$851,347,650	\$875,438,160	\$1,051,418,450
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
77,407,864	78,265,891	88,558,590	89,391,503	91,921,007	110,398,937
10,035,067	9,382,008	8,703,949	8,020,890	7,322,831	6,714,770
0	0	0	0	0	0
10,035,067	9,382,008	8,703,949	8,020,890	7,322,831	6,714,770
\$67,372,797	\$68,883,883	\$79,854,641	\$81,370,613	\$84,598,176	\$103,684,167
\$737,217,750	\$745,389,440	\$843,415,140	\$851,347,650	\$875,438,160	\$1,051,418,450
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
40,546,976	40,996,419	46,387,833	46,824,121	48,149,099	57,828,015
10,035,067	9,382,008	8,703,949	8,020,890	7,322,831	6,714,770
0	0	0	0	0	0
10,035,067	9,382,008	8,703,949	8,020,890	7,322,831	6,714,770
\$30,511,909	\$31,614,411	\$37,683,884	\$38,803,231	\$40,826,268	\$51,113,245

City of Lancaster, Ohio

*Pledged Revenue Coverage
Last Ten Years*

	2014	2015	2016	2017
Water Revenue Bonds (1 a)				
Gross Revenues (2)	\$8,023,002	\$8,211,328	\$8,643,136	\$8,992,669
Direct Operating Expenses (3)	5,802,924	5,822,634	5,914,565	6,108,057
Net Revenue Available for Debt Service	2,220,078	2,388,694	2,728,571	2,884,612
Annual Debt Service Requirement	516,081	514,981	513,981	509,831
Coverage	4.30	4.64	5.31	5.66
Water Pollution Revenue Bonds (1 b)				
Gross Revenues (2)	\$11,378,708	\$11,499,199	\$12,185,806	\$12,745,699
Direct Operating Expenses (3)	4,403,285	3,930,137	4,609,387	4,778,447
Net Revenue Available for Debt Service	6,975,423	7,569,062	7,576,419	7,967,252
Annual Debt Service Requirement	1,749,756	1,753,812	1,688,038	1,637,900
Coverage	3.99	4.32	4.49	4.86
Port Authority Gas Supply Revenue Bonds (1 c)				
Gross Revenues (2)	\$9,475,747	\$5,668,319	\$5,291,860	\$6,540,915
Direct Operating Expenses (3)	6,531,561	290,978	242,969	328,795
Net Revenue Available for Debt Service	2,944,186	5,377,341	5,048,891	6,212,120
Annual Debt Service Requirement	2,852,227	15,284,079	16,505,174	18,078,461
Coverage	1.03	0.35	0.31	0.34
Special Assessment Bonds (1 d)				
Special Assessment Collections	\$41,881	\$39,239	\$43,231	\$38,304
Debt Service				
Principal	20,000	21,000	22,000	28,950
Interest	9,550	8,550	7,500	7,550
Coverage	1.42	1.33	1.47	1.05

(1 a) In 2004 the City issued \$8,205,000 of Water Revenue Bonds

These bonds were refunded in 2012 with the issuance of \$5,795,000 in Water Revenue Bonds.

(1 b) In 2004 the City issued \$5,095,000 of Water Pollution Revenue Bonds

These bonds were refunded in 2012 with the issuance of \$3,680,000 in Water Pollution Revenue Bonds.

In 2008 the City issued \$21,195,000 of Water Pollution Revenue Bonds

These bonds were refunded in 2016 with the issuance of \$15,395,000 in Water Pollution Revenue Bonds.

(1 c) In 2008 the City issued \$348,750,000 of Gas Supply Bonds

In 2019 the City issued \$300,065,000 of Gas Supply Bonds to refund the 2008 bonds

(1 d) In 2001 the City issued \$367,000 of Special Assessment Bonds, which were paid off in 2019.

(2) Gross revenues include operating revenues plus interest income.

(3) Direct operating expenses include operating expenses less depreciation.

N/A = not applicable

Source: City Auditor's Office

City of Lancaster, Ohio

2018	2019	2020	2021	2022	2023
\$8,877,949	\$8,988,156	\$9,441,826	\$8,935,894	\$9,466,007	\$10,144,555
5,946,393	7,408,599	6,605,168	4,493,217	5,144,462	6,259,566
2,931,556	1,579,557	2,836,658	4,442,677	4,321,545	3,884,989
517,431	514,231	510,631	516,631	510,532	513,813
5.67	3.07	5.56	8.60	8.46	7.56
\$12,638,715	\$13,097,897	\$12,962,949	\$12,062,972	\$12,566,043	\$13,617,135
6,340,117	5,462,606	5,179,942	3,975,764	4,604,001	5,793,973
6,298,598	7,635,291	7,783,007	8,087,208	7,962,042	7,823,162
1,635,000	1,635,350	1,639,750	3,835,350	1,314,800	1,317,000
3.85	4.67	4.75	2.11	6.06	5.94
\$6,291,644	\$5,052,764	\$3,617,450	\$7,134,824	\$12,570,115	\$4,361,955
246,515	4,672,212	2,753,731	4,824,161	9,917,948	1,632,829
6,045,129	380,552	863,719	2,310,663	2,652,167	2,729,126
20,013,639	11,759,029	19,016,715	16,073,875	16,071,875	16,076,750
0.30	0.03	0.05	0.14	0.17	0.17
\$40,471	\$35,443	\$38,816	\$33,293	\$10	\$0
18,550	80,500	0	0	0	0
3,803	2,012	0	0	0	0
1.81	0.43	N/A	N/A	N/A	N/A

City of Lancaster, Ohio

Demographic and Economic Statistics Last Ten Years

Calendar Year	2014	2015	2016	2017
Population				
City of Lancaster (2)(3)	38,854	38,780	39,848	39,848
Fairfield County (1)(3)	150,381	151,408	152,597	154,733
Income (3) (a)				
Total Personal (in thousands)	1,566,749	1,595,603	1,675,569	1,760,445
Per Capita	40,324	41,145	42,049	44,179
Unemployment Rate (4)				
Federal	6.2%	5.3%	4.9%	4.4%
State	5.7%	4.9%	4.9%	5.0%
Fairfield County	5.0%	4.3%	4.2%	4.3%
Civilian Work Force Estimates (4)				
State	5,719,500	5,700,300	5,713,100	5,780,000
Fairfield County	74,900	75,400	75,800	77,400
Lancaster	17,900	17,900	17,900	17,400

Sources:

- (1) US Bureau of Census of Population
- (2) Fairfield County Economic Development website using the Ohio Dept of Taxation Census Population estimates (2014-2018) the U.S. Census Department estimates (2019-2023)
- (3) US Department of Commerce, Bureau of Economic Analysis information is only available through 2022 for the presentation of 2023 statistics, the City is using the latest information available.
 - (a) Per Capita Income is only available by County, Total Personal Income is a calculation
- (4) State Department of Labor Statistics

City of Lancaster, Ohio

2018	2019	2020	2021	2022	2023
40,280	39,942	40,505	40,552	41,000	41,422
155,782	157,574	159,709	161,064	162,898	165,360
1,857,432	1,889,057	2,071,952	2,074,356	2,527,691	2,183,602
46,113	47,295	51,153	51,153	61,651	52,716
3.9%	3.7%	8.1%	5.3%	3.6%	3.7%
4.6%	4.1%	8.1%	5.1%	4.0%	3.5%
4.0%	3.7%	6.6%	4.3%	3.5%	2.9%
5,754,900	5,802,300	5,754,300	5,736,900	5,741,300	5,582,400
77,300	78,000	78,600	79,800	80,500	80,900
17,300	17,969	18,194	18,766	18,600	18,700



City of Lancaster, Ohio

Principal Employers Current Year and Nine Years Ago

Employer	Nature of Business	2023		
		Number of Employees	Rank	Percentage of Total Employment
Fairfield Medical Center	Medical Services	1,705	1	9.12%
Anchor Acquisition LLC	Manufacturer	1,638	2	8.76%
Lancaster City Schools	Education	1,280	3	6.84%
Fairfield County	Government	1,239	4	6.63%
MAGNA	Manufacturer	1,120	5	5.99%
Kroger	Grocer	606	6	3.24%
Group Management Services	Employment Services	429	7	2.29%
State of Ohio	Government	415	8	2.22%
Daily Services	Employment Services	408	9	2.18%
Electrical Specialists Inc	Services	310	10	1.66%
Total		9,150		48.93%
Total Employment within the City		18,700		

Employer	Nature of Business	2014		
		Number of Employees	Rank	Percentage of Total Employment
Fairfield Medical Center	Medical Services	1,864	1	10.90%
Fairfield County	Government	938	2	5.49%
Anchor Hocking	Glass Manufacturer	900	3	5.26%
Lancaster City Schools	Education	705	4	4.12%
City of Lancaster	Government	430	5	2.51%
Ralston Foods/Con Agra	Manufacturer	341	6	1.99%
Kroger	Food	262	7	1.53%
Diamond Power	Metal Fabrication	240	8	1.40%
Crestview**	Nursing Care	212	9	1.24%
Fairfield Homes**	Construction	194	10	1.13%
Total		6,086		35.57%
Total Employment within the City		17,100		

www.businesscounty.com

** And information from companies responding via telephone.

Sources:

2023 - Lancaster City Income Tax Department
 2014 - Fairfield County Chamber of Commerce

City of Lancaster, Ohio

Full Time Equivalent Employees by Function Last Ten Years

	2014	2015	2016	2017
Governmental Activities				
General Government				
Auditor	5.00	5.00	5.00	5.00
Treasurer	1.00	1.00	1.00	1.00
Legal	9.00	7.00	10.00	11.00
City Council	11.00	11.00	11.00	11.00
Court	36.00	36.00	39.00	39.00
Administration	5.00	4.00	4.00	5.00
Engineering	3.00	3.00	3.00	3.00
Certified Building	3.00	3.00	4.00	5.00
Income Tax	4.00	4.00	4.00	4.00
Maintenance	1.00	1.00	1.00	1.00
Information Systems	8.00	8.00	8.00	6.00
Security of Persons and Property				
Police	83.00	82.00	85.00	84.00
Fire	72.00	72.00	70.00	72.00
Public Health and Welfare				
Cemetery	4.00	4.00	4.00	4.00
Transportation				
Street	22.00	23.00	23.00	23.00
Leisure Time Activities				
Parks	26.00	25.00	29.00	28.00
Community Environment				
Community Development	3.00	3.00	3.00	3.00
Public Transit	1.00	2.00	3.00	3.00
Civil Service	1.00	1.00	1.00	1.00
Business-Type Activities				
Utilities				
Gas	25.00	25.00	25.00	26.00
Water	39.00	38.00	38.00	39.00
Water Pollution	24.00	24.00	25.00	23.00
Sanitation	21.00	20.00	21.00	21.00
Storm Water	5.00	5.00	5.00	5.00
Utilities Collection	15.00	15.00	15.00	16.00
<i>Total Employees</i>	429.00	424.00	439.00	441.00

Method: 1.00 for each full-time, 0.50 for each part-time and 0.25 for each seasonal employee

Source: City Auditor's Office

City of Lancaster, Ohio

2018	2019	2020	2021	2022	2023
5.00	5.00	5.00	5.00	6.00	6.00
1.00	1.00	1.00	1.00	2.00	2.00
11.00	11.00	11.00	12.00	11.00	12.00
11.00	11.00	11.00	11.00	11.00	11.00
41.00	41.00	40.00	44.00	42.00	45.00
5.00	5.00	5.00	5.00	6.00	7.00
3.00	4.00	4.00	4.00	4.00	4.00
5.00	6.00	6.00	6.00	8.00	7.00
3.00	4.00	5.00	5.00	5.00	8.00
1.00	1.00	1.00	1.00	1.00	1.00
5.00	6.00	5.00	7.00	5.00	8.00
80.00	84.00	77.00	89.00	85.00	90.00
72.00	68.00	65.00	78.00	78.00	81.00
3.00	3.00	3.00	3.00	4.00	4.00
4.00	4.00	4.00	4.00	5.00	5.00
24.00	24.00	27.00	28.00	28.00	28.00
26.00	28.00	26.00	22.00	18.00	20.00
3.00	3.00	3.00	3.00	4.00	3.00
3.00	3.00	36.00	29.00	39.00	19.00
1.00	1.00	1.00	1.00	1.00	2.00
27.00	27.00	27.00	28.00	28.00	27.00
37.00	37.00	38.00	36.00	37.00	36.00
23.00	23.00	23.00	25.00	21.00	23.00
22.00	22.00	23.00	28.00	24.00	23.00
5.00	5.00	5.00	7.00	5.00	6.00
16.00	16.00	16.00	17.00	16.00	15.00
<u>437.00</u>	<u>443.00</u>	<u>468.00</u>	<u>499.00</u>	<u>494.00</u>	<u>493.00</u>

City of Lancaster, Ohio

Operating Indicators by Function Last Ten Years

	2014	2015	2016	2017
Governmental Activities				
General Government				
Court				
Number of Traffic Cases	17,898	17,631	16,678	17,733
Number of Open Cases	1,335	1,271	1,449	1,673
Licenses and Permits				
Number of Building Permits	1,049	1,258	1,338	2,233
Number of Building Inspections	2,436	2,878	3,759	4,145
Security of Persons and Property				
Police				
Number of Calls Received	56,254	60,578	60,685	62,306
Number of Traffic Citations	2,616	4,205	2,412	4,399
Number of Arrests	1,494	1,481	1,447	1,991
Parking Tickets Written	696	598	451	929
Fire				
Number of Fire Calls	1,569	1,767	1,910	2,005
Number of EMS Runs	6,931	7,259	7,358	7,696
Number of Inspections	1,433	1,503	1,596	1,584
Leisure Time Activities				
Parks				
Number of Programs Offered	61	62	62	62
Number of Pool Admissions	18,283	19,022	24,597	13,380
Business-Type Activities				
Water				
Number of Service Connections	15,424	15,464	15,499	15,554
Daily Average Consumption (thousands of gallons)	3.75M	4.57M	3.67M	3.63M
Peak Daily Consumption (thousands of gallons)	5.76M	5.89M	5.64M	6.18M
Water Pollution				
Number of Service Connections	15,129	15,095	15,215	15,264
Maximum Daily Capacity	14M	14M	14M	14M
Daily Average Sewage Treatment (thousands of gallons)	7.23M	6.84M	7.07M	7.56M
Sanitation				
Number of Customers	15,490	15,518	15,566	15,622
Storm Water				
Number of Customers	14,820	14,832	14,876	14,954

Source: City Auditor's Office

City of Lancaster, Ohio

2018	2019	2020	2021	2022	2023
15,395	15,178	10,537	10,243	12,304	10,175
1,389	1,185	1,055	642	1,002	981
2,101	1,654	1,116	1,218	1,072	1,224
5,388	2,011	3,222	3,640	3,973	3,146
60,456	62,282	56,281	50,839	58,291	70,690
3,809	4,442	3,028	2,431	1,887	2,043
1,177	1,889	1,847	3,097	1,764	1,859
1,352	999	368	100	91	101
2,086	1,209	1,138	1,150	1,306	1,442
7,831	8,198	7,721	8,450	8,944	8,797
1,563	1,477	980	1,351	2,340	2,400
67	46	13	37	42	43
27,505	28,397	0	20,716	19,342	18,660
15,642	15,677	15,706	15,985	16,183	16,163
3.85M	3.93M	3.85M	3.89M	3.82M	3.89M
6.2M	6.44M	6.24M	6.6M	6.6M	6.7M
15,384	15,478	15,418	15,420	15,406	15,884
17.87M	18.13M	18.73M	13.933M	15.29M	13.89M
8.99M	8.94M	7.73M	6.904M	7.41M	6.3M
15,703	16,100	15,793	15,822	16,151	16,165
15,009	15,754	15,106	15,148	15,369	15,320

City of Lancaster, Ohio

Capital Asset Statistics by Function Last Ten Years

	2014	2015	2016	2017
Governmental Activities				
General Government				
Public Land and Buildings				
Land (1)	18.598	18.598	1,453.94	1,453.94
Buildings	36	36	37	38
Security of Persons and Property				
Police				
Stations	1	1	1	1
Vehicles	38	37	38	40
Fire				
Stations	3	3	3	3
Vehicles	18	18	19	20
Public Health & Welfare				
Cemetery				
Land (acres)	150	150	150	150
Transportation				
Street				
Streets (lane miles) (2)	185	185	185	185
Street Lights	2,476	2,476	2,476	2,476
Traffic Signals	86	86	88	86
Leisure Time Activities				
Parks				
Land (acres)	733	733	733	733
Buildings	21	21	21	21
Parks	27	27	27	27
Playgrounds	12	12	12	12
Swimming Pools	2	2	2	2
Tennis Courts	13	13	13	13
Baseball/Softball Diamonds	26	26	26	26
Soccer Fields	22	22	22	22

- (1) Previous to 2016, total land (shown in square miles) within the corporate boundaries of the City was being reported. Beginning in 2016, only City owned land (shown in acres) is reported.
- (2) Previous to 2020, the miles were reported as centerline miles. Beginning in 2020, the miles are reported as lane miles.

City of Lancaster, Ohio

2018	2019	2020	2021	2022	2023
1,427.97	1,453.94	1,514.82	1,551.54	1,565.01	1,569.08
38	38	38	55	57	57
1	1	1	1	1	1
36	37	36	35	31	31
3	3	3	3	3	3
19	18	19	18	18	19
150	150	150	122	122	122
185	185	372	372	372	392
2,527	2,509	2,517	2,529	2,539	2,541
86	80	78	79	79	79
757	830	830	830	841	841
21	35	21	21	24	24
27	27	27	27	28	28
12	13	13	13	13	13
3	3	3	3	3	3
13	15	15	15	13	13
26	25	25	25	21	21
22	20	20	20	19	19

(continued)

City of Lancaster, Ohio

*Capital Asset Statistics by Function
Last Ten Years*

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Business-Type Activities				
Utilities				
Water				
Waterlines (Miles)	182	182	182	183
Pump Stations	2	2	2	2
Number of Hydrants	1,885	1,892	1,900	1,864
Storage Capacity (thousands of gallons)	9.8M	9.8M	9.8M	9.8M
Water Pollution				
Sewerlines (Miles)	186	186	186	186
Lift Stations	11	11	11	10
Sanitation				
Packers	10	9	9	9
Storm Water				
Storm Sewers (Miles)	88	88	88	88
Gas				
Gaslines (Miles)	249	249	255	254

Source: City Auditor's Office

City of Lancaster, Ohio

2018	2019	2020	2021	2022	2023
183	184	184	192	192	192
2	2	2	2	2	2
1,864	1,872	2,000	2,000	2,009	2,009
9.8M	9.8M	9.8M	9.8M	9.8M	9.8M
186	187	187	181	182	183
10	10	10	10	10	10
11	11	11	10	11	11
88	88	88	94	94	94
256	254	256	260	256	258

